Pro's and Con's of Gold Stocks

LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

CANADIAN MINING NEWS DEPARTMENT ON PAGE 16

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The Nation's Business

Does Canada Need Independent Study Federal Finance?

Budget Balancing Will Avert Crisis

Problem is Not Simple One

A May Commission Needed in Canada?

A "DUFF COMMISSION" to investigate the spending of all governments — federal, provincial and municipal — is suggested by Lt.-Col. W. L. McGregor, chairman of the Nation's Business Men's Committee on Economy in Public Finance.

The suggestion embraces too much. By the time such a commission had studied the problem and reported, Canada might be bankrupt. What would be more to the point now would be a "May Committee" on federal finance.

The British House of Commons appointed Sir George May as chairman of a commission to study British public finance and propose measures of economy. Sir George was appointed in March, 1931; he reported in July; his proposals became the basis of the new national government's budget-balancing campaign in October. That was speed—and action.

If Mr. Bennett were to appoint such a committee it would aid greatly in bringing the budget problem before the public, still somewhat uninformed on how far behind we are going each year.

The best contribution of the Duff Commission was not its recommendations but its presentation of the problem to the people. The commission made Canadians realize just what the railway problem means.

The best contribution of the May Commission was to show the British people that a budget that in April was designed to produce a small surplus was in reality going to produce a deficit of £120,000,000.

The best contribution of a May Commission in Canada would be to strengthen Mr. Bennett's hands in taking necessary but now unpopular action to avert a budget crisis here.

* * *

Canada Can Yet Avert Financial Crisis

THE views that are being expressed by The Financial Post on the critical nature of Canada's present financial position are regarded in some quarters as alarmist. If they do arouse concern that is not to be deplored. It is never unpatriotic to face the facts. Canadians have not faced the facts about their national financial position. It would be fair to say that financial observers in London and New York have a better idea of where Canada's policy of drift has taken her than most people in Canada. In fact, New York and London assert that our public men, our financial leaders and our politicians are bound together in a conspiracy of silence. There is no conspiracy but there is silence as to the graver aspects of the problem.

* * *

WHAT The Post is saying is not new to these columns. For years The Financial Post has warned of the trouble ahead for Canada if it continued to spend extravagantly through governmental channels.

In November, 1931, The Financial Post made a forecast of the huge federal deficit that was impending. It said that those Canadians who were congratulating themselves that Canada has escaped a national budget crisis, such as has been met by Britain, Australia, Newfoundland and other countries were shortsighted; it was not certain Canada could escape a crisis. Important leaders of opinion objected to The Post's presentation of the case; it was not good business, they thought, to alarm the public unnecessarily by telling them how really difficult Canada's position was.

It was at this time too that Prime Minister Bennett called in newspapermen and warned them not to publish material that would upset public confidence.

And so the habit—if it is not a deliberate policy— of "hush hush" about our financial position has continued. So governments have continued to spend money; so the problem has grown in intensity.

It is not to precipitate a financial crisis in Canada that The Financial Post speaks out. It is in the hope that Canadians will force now the measures that will avert collapse later.

Facing the facts is not rocking the boat. It is economic storms

(Continued on page 2, col. 3)

UNITY LIKELY PRICE BROS. BONDHOLDERS

Belief Grows Insurance Firms May Deposit Bonds

NEED 75 PER CENT

Position of Organization is Weakened by Steady Loss of Newsprint Tonnage

From Our Own Correspondent

MONTREAL.—Hope is held out that developments may take place before the end of this month which will represent a step forward in solving the problems of one newsprint operator—namely, that the holders of a large block of Price Bros. and Co. bonds will deposit their bonds with the Protective Committee and so permit that body to function.

There is no assurance this will happen, but the feeling grows that opposition to the Committee is not quite so emphatic as formerly and that differences which have existed up to date will not prove a bar to effecting some concerted action in the interests of the bondholders.

Opposition To Committee

It is an open secret that the set-up of Price Bros. and Co. bondholders protective committee has not met with unanimous approval; in fact the insurance companies have withheld depositing their bonds on the ground that there was insufficient representation of Canadian interests on the committee.

As at present constituted the committee includes four Canadians and two Americans. The latter two, as well as one Canadian, are credited with representing the original underwriters of the bond issue, Harris, Forbes and Co. The three remaining members include Thomas Bradshaw, of North American Life; Ross McMaster president of the Steel Co. of Canada and a director of the Sun Life Assurance Co., and John Hall Kelly, of Quebec City, a bondholder.

Opposed to Change

Representations are understood to have been made to the effect that one representative of the bond house should be dropped and replaced by another Canadian, or that an additional member should be added to the committee.

This proposal has not met with favor, the stand being taken that if representation on the committee is judged by arbitrary standards then there are three members representing Canadian interests and three members representing the bond house which sponsored the issue. Against this it is pointed out that as the majority of bonds are held outside of Canada (in the United States) the "outside" interests are entitled to a majority of members on the committee.

Action is Needed

Affairs with Price Bros. and Co. have not been going at all well over the past year and it is the opinion that it is to the interests of the bondholders to take collective action as soon as possible in order to protect their interests.

Up to date the committee has received less than 40 per cent of the outstanding bonds. Inasmuch as the trust deed requires the deposit or approval of 75 per cent of the bonds to take concerted action, the committee is not in a position to function. With the deposit of the bonds held by the insurance companies and other interests, however, it is believed that the 75 per cent could be readily secured and the committee given sufficient powers to take whatever action is deemed necessary to protect the bondholders' position.

A curious feature of Price Bros. and Co.'s situation is that while the company has been in actual default since November 1 last, no attempt has been made by those interested in the junior equities to submit for the bondholders' consideration a plan whereby they can meet their obligation to the bondholders.

Crisis of 1931 in Great Britain Shows Way to Canada in 1933

IN TWO notable addresses during the past week, Sir William Clark, High Commissioner for the United Kingdom, brought forward convincing evidence that Britain is today in the soundest position of any of the nations.

In one of his two addresses he said:

> "How does it come about, you will ask, that things have run so smoothly? Well, pride of place ought, I think, in fairness to be given to the successful handling of the national finances, of which I have already spoken. When Great Britain left the gold standard, she had already embarked on a policy of rigid economy in the hope of saving the £ and she departed no whit from that policy when it had failed in its immediate object. She continued to pursue it and balanced her budget, meeting all expenditure out of revenue. Thus her national credit, which in the previous year had been impaired owing to the extent of her borrowings on behalf of the unemployment insurance fund and for other purposes was restored, and the risk of panic withdrawals of capital and deposits, which would have been fatal to the stability of the £, had largely disappeared. . . . "

Britain has shown the way to Canada. Will Canada follow?

The British financial crisis was the product of ten years of overspending and crippling of British trade by taxation.

There were two phases of the over-spending. In both phases the British were consuming capital in current spending.

The first phase related to Britain's balance with the world. The nation was spending more abroad than it was receiving from other nations. The unwise, unsuccessful attempt to maintain the gold standard, the high level of taxation, the State-pampering of those who should have been industrious workers, the lethargy of industrial leaders, the rise of new industrial powers outside, had weakened Britain's competitive position in export trade. World depression revealed and intensified Britain's commercial vulnerability. It also reduced the non-visible items in the international balance sheet—income from interest, dividends, steamship and insurance earnings, etc.

Parallel of Canada's Present Status

Before we turn to the second and more important phase of the British crisis let us examine Canada's international balance sheet to see if we too are going behind in a manner similar to Britain.

Great periods of prosperity in Canadian history have always been periods of influx of outside capital. Young and developing, we have had to depend upon British and foreign capital investment to maintain the pace of our industrial expansion. And this is even more important; we have had to depend upon the new investment each year of large sums of outside money to give us foreign balances to pay insurance premiums and ocean freights to British companies, to meet interest on our foreign borrowings, and to meet the adverse trade balances that have usually been concomitant with our greatest periods of business activity.

In 1928 outside capital in Canada increased $134,000,000; in 1929 by $234,000,000; even in 1930 by $238,000,000. This was new money pouring in to create jobs and enable us to meet our obligations abroad.

Capital Withdrawn in Past Two Years

But the world depression led to withdrawal of capital from Canada and stopped up the sources of new capital. In 1931 net foreign investment in Canada decreased $30,000,000; in 1932 by $50,000,000.

Not only did we have to find the exchange balances to supply these sums; we had also to find the exchange balances to meet interest and dividend obligations on the $6,000,000,000 of capital previously invested.

We too, like Britain, have been spending and sending too much abroad. Call it a flight from the Canadian dollar or call it by a name more euphemistic, it is still a new experience and a new problem for us and it tells a large part of the story of the decline in the Canadian dollar. We have endeavored to meet the situation by tariffs to curtail imports, a necessary and useful device not without some adverse features. More important it is to stimulate such confidence in Canada and Canadian securities that outside capital will look to this country as one of the safe havens of investment capital.

British Failure to Balance Budget

The second cause of the British crisis was the more important of the two since it was the fundamental cause from which the other sprang. This was the over-spending on governmental account; the failure of the British people to balance their budget despite the constant addition of new taxes to the onerous burdens that had been steadily piled on the British taxpayer since before the war. Taxes had

(Continued on page 3, col. 3)

Highlights of the Week

Events and Topics That Make Articles for The Financial Post This Week

The Gold Boom

For good sound reasons the gold stocks have started up. They may go too far. The first thing for the investor to know is the economics of the gold boom,—the pro's and con's of the rising value of gold. These are set forth fully. Page 1.

Noranda

This unique mine shifts its output emphasis to gold as copper price stays low and gold stands out in world finance. Page 16.

U.S. Magazines

The duty on United States periodicals has led to the printing in Canada of 52 of them with annual circulation of 23,000,000 copies. Page 7.

Our Borrowing

Will painful experience with exchange premiums lead to less borrowing in U.S.A.? The whole problem discussed. Page 9.

Motor Trucks

Ontario's plan of regulation likely to be adopted by other provinces. Page 9. Truckers in Ontario ask fixed freight tariff. Same page.

Building

Seventeen construction organizations plan frontal attack on influences that bar building boom. Page 8.

Telling Investors

Best run companies give most information in their annual reports to shareholders. Page 11.

Debt Dilemma

Problems of governmental and private debts discussed by George C. McDonald, Montreal. Page 2.

Adversity Stock Boom Sends Gold Prices Up On Three Continents

In South Africa, England, New York City and Canada Stocks of Gold Companies Come Into Public Favor—Speculators Thronging Board Rooms Once More

Once again Canadians are pouring into brokerage offices by thousands to buy stocks of producing gold companies and of promising prospects. Prices have run up spectacularly as a consequence and though there have been some setbacks excitement is running high among old and new habitues of board rooms. Prophecies are freely bandied of boom-time prices and indeed the Standard Stock and Mining Exchange could not have sent out adequate reports of the business done if it had not installed new high-speed tickers to keep pace with the sales.

Interest was whetted by newspaper stories of the visit to the northland of fourteen men, mostly United States brokers and financial men. They were accompanied by Hon. Charles McCrea, Minister of Mines in the Ontario Government, S. H. Logan, general manager of the Canadian Bank of Commerce, J. P. Bickell, president of McIntyre Porcupine Mines, and Jules Timmins, director of Hollinger Consolidated Gold Mines. Speculators were particularly impressed by the statements that two well-known Wall Street operators, Bernard E. Smith and Matthew C. Brush, were on a trip to the Kirkland Lake Gold Mines.

Kaffir Golds Lead Way

The dizzy booms in London in Kaffir gold stocks, following the departure by South Africa from the gold standard, and the run-up in prices on South African exchanges, drew interested attention in New York. Though gold stocks have seldom secured first place in New York stock transactions, this movement looked interesting. If South Africa, the world's first gold producer, could produce such a boom, it was logical to turn to Canada, the world's second producer, for something similar. Some operators of the calibre of Messrs. Brush and Smith, but not necessarily they, have been commonly reported as operating pools in Canadian gold stocks for some time and any upward rush would enable such astute pool operators to get good profits when the time to unload comes.

Premiums Raise Gold Values

All producing gold stocks have participated in the rise as can be seen from the mining stock tables on another page of this issue and already with yields approaching bond yields the boom in some cases has gone far. Unquestionably, however, there are real exciting causes for all this activity in Kaffir, Canadian and other gold stocks beyond stock market manipulation, and there are some dangers as well which this article aims to indicate. For example, the recent increase in the discount on the Canadian dollar and the growing loudness of the declarations for inflation of some kind to enable Canada to get on a trading basis with sterling have made many believe that the premium hitherto paid for gold in Canada might take a further jump and increase the profits of the gold companies.

The suggestion by such a prominent economist as Stephen Leacock that the gold dollar might be revalued on a basis which would greatly increase the value of gold in other commodities has also tremendously excited the public appetite. Without considering the difficulties ahead of arranging international agreement for such an increase, traders can see what a jump in value would come to every producing gold mine if such a revaluation of gold were to occur.

Traders know as well that Can-

(Continued on page 2, col. 6)

CUT IN RATE FOR DEPOSITS NOT DEFINITE

Discussions Under Way But No Policy Yet Fixed

No definite agreement has been reached by Canadian chartered banks to lower interest rates on deposits from three to two and one half or two per cent, The Financial Post is informed. However, bankers state that the ground has been broken by discussions of the subject, and that lower rates may result. This was indicated in The Financial Post last week and in previous articles.

If it is decided to reduce such interest rates, the banks would be able to put the change in effect on short notice. Some delay, it is thought, might be occasioned by getting mortgage, trust and loan companies and other depositors to adjust their rates accordingly.

Affects Other Rates

Lower bank deposit rates might result in transfers of money to other depositories. Bankers believe that this possibility would tend to correct itself, under present conditions, because trust and loan companies may not be prepared for a large influx of funds at the moment. It is thought that such institutions would find some difficulty in employing substantially increased deposits profitably, and might, therefore, be obliged to lower their deposit rates also.

Private loan rates would probably only be affected by the economic results of lower bank deposit rates on the whole interest rate structure. As has been stated in the House at Ottawa, it would be difficult to legislate effectively on such private rates.

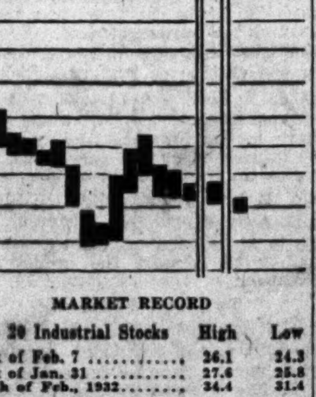
Might Aid Refunding

Higher prices for Government and other gilt-edged securities might result from a lowering of deposit rates, it is pointed out. This would be advantageous to the Government, faced as it is with a budget deficit and large refunding operations in 1933 and 1934. Some $400,000,000 of Canadian maturities come due in these two years.

Are Gold Stocks Good Purchases?

PROS	CONS
Falling of commodity prices means rise in gold values and lower costs for materials and labor, hence lower operating costs.	Rising prices later would lessen value of gold and make material and labor expenses higher.
Discount on Canadian dollar causes Government to pay premium for gold to meet heavy maturities in New York in U. S. funds and thus boosts profits of companies.	Return to parity would stop premium payments; and discount so great as to lead to default or repudiation of gold payments like Calgary, might lessen Government demand for gold.
Heavy premiums stimulate rate of production and therefore create higher immediate profits per share.	Profit incentive tends to lead managers to get easy gold out as quickly as possible and hastens depletion. Dividend yields should provide for capital return on good scale.
Low commodity prices make it cheaper to explore and develop promising prospects.	Present gold values may not obtain when production eventually comes.
Marginal mines become profitable because of premiums and lower costs of development and operation.	May cease to be profitable when exchange fluctuations cease.
Stocks rise in bad times caused by falling commodity prices.	Stocks usually fall in good times caused by rising prices.
Revaluation of gold would boost profits permanently.	International agreement on revaluation would be difficult to secure.
Nervousness of investors the world over with regard to bonds and stocks leads them to look for what they regard as a safety-first investment and gold's fixed value attracts them and demand enhances prices of gold stocks.	Passing of nervous tension will lead investors to sell gold stocks to take advantage of opportunities offered in industry, finance and business and sales would depress gold stock prices.

Stock Market



MARKET RECORD

20 Industrial Stocks	High	Low
Week of Feb. 7	26.1	24.3
Week of Jan. 31	27.6	25.8
Month of Feb., 1932	34.4	31.4
8 Bank Stocks		
Week of Feb. 7	164	161
Week of Jan. 31	166	163
Month of Feb., 1932	205	203
10 Public Utilities		
Week of Feb. 7	43	41
Week of Jan. 31	45	42
Month of Feb., 1932	56	51

Foreign Bankers in Europe Believed Sellers of Dollars

Foreign bankers, in Europe, making forward sales of Canadian dollars, are believed to be largely responsible for the recent downward flurry of Canada's currency on the foreign exchange markets. Spot sales of Canadian dollars, and corresponding purchases of foreign currencies has been relatively small, The Financial Post is informed. There is also understood to have been no large transfers of funds into other currencies by Canadian banks, institutions and corporations. The market for Canadian funds in the United States has been steady, indicating that sales have not come from that country.

While day to day spot transactions of Canadian dollars have been only in narrow volume, the forward transactions mentioned have been more substantial. This, however, make the sellers of such forward dollars potential purchasers, or obligates them to sell securities or goods to meet their currency requirements.

The forward sales of European bankers are thought by exchange authorities and bankers to have been largely speculative. The basis on which their policy is based is believed to be that Canada's monetary unit must ultimatley approximate the sterling level more closely.

Some Canadian observers think that European sellers of Canadian dollars base their dealings on our international currency position with regard to the United States and to the United Kingdom. While we receive a large portion of our payments from abroad in Great Britain, we owe more in the United States. This situation causes our currency to swing back and forth in response to each of these two large influences. The European speculators are believed by these observers to feel that, as sterling is the world's largest foreign exchange medium, Canadian dollars may ultimately fall largely under its influence.

The market for Canadian dollars has been narrow in recent weeks, and only relatively small transactions have been necessary to alter rates substantially, exchange authorities inform The Financial Post.

RHODES INFERS TAX AT SOURCE IS POSSIBILITY

Aims at Collecting Income Tax From Holders of Bearer Bonds

WOULD USE BANKS

Action Might Follow U. S. and British Precedent; Could Extend to All Unearned Income

Intimation by Hon. E. N. Rhodes, Minister of Finance, that the forthcoming Federal budget will provide for assessment of income tax at the source affects all Canadian investors holding bearer bonds. The institution of this method of collection in Canada will be for the purpose of increasing national revenues by forcing investors who have not declared their full income in previous year to pay the tax when bearer coupons are cashed. This practice has been in effect in Great Britain for a number of years.

While definite figures are not available it is estimated that the great proportion of Canadian bonds and debentures are in bearer form. This is particularly true of corporation securities and to a lesser degree of government and municipal securities. Evasion of payment of full income tax due is made possible if the investor holds bearer bonds since income derived from such investments is not easily traced and income returns may be falsified. Under the proposed plan it would appear that banks and trust companies would be held responsible for the collection of the tax when bond coupons are cashed.

If the British precedent is followed and no statutory exemption is given on unearned income, Federal revenues would be largely increased while the expense of handling claims for tax rebates would be kept to a minimum. Such an action would affect even the smallest investor and one who is not liable to Dominion income tax at the present time. Mr. Rhodes' brief preliminary announcement of a new procedure in collecting income tax on bond interest gives no indication that there will be any drastic change in taxing all unearned income, however.

Each of the provinces with the exception of Quebec now has a double tax on incomes. Alberta, British Columbia, Manitoba, Prince Edward Island and Saskatchewan have a provincial income tax while in Ontario, New Brunswick and Nova Scotia there is provision for a municipal income tax. If the Dominion sets the precedent of collecting income tax at source the question naturally arises as to the policy to be followed by other taxing bodies.

In Great Britain the principle of deducting income tax at the source is generally applied to unearned incomes and by far the greater part of income duties is deducted at the source. The right to deduct the tax may generally be regarded as extending to rents, ground rents, dividends, annuities, interest on fixed loans and annual payments of a similar nature. The present income tax in Great Britain is 25 per cent or five shillings on the pound sterling, with a super tax on larger incomes. The collection of income tax at the source simplifies the work of the treasury department but results in some inconvenience to investors who are not taxable at the highest rate or who may be entirely exempt from income tax.

Where income taxes are deducted at the source reimbursement may be claimed by the taxpayer for excess payments. Such claims are made on standard forms at the end of the year and if the claim is found valid the Government makes a refund. A different form is used by foreign investors who are not subject to the British income tax and in this case the claim for exemption from income tax deduction must be made seven weeks before the date on which the warrant for interest or dividend is payable.

C.S.L. BONDS SHOW TREND OF OPINION

Sinking Fund Charges for 1932 Reported in Default

REVISIONS SEEN

General Mortgages Indicate Uncertainty Regarding Interest Payment April 1

From Our Own Correspondent

MONTREAL.—Reported default on sinking fund requirements on its bonds together with quotations of around 18 for the 6 per cent first and general mortgage bonds, are taken as indications that Canada Steamship Lines has not improved its position over the past 12 months and that adjustments of its capital structure is a possibility.

Further it is likely that the company will not be able to meet interest charges due on April 1 next. During 1931 the company did not cover interest after providing for depreciation charges. While there was temporary pick-up in business in the early part of last fall, revenues for the full 12 months in 1932 are said not to have shown any improvement so that ability to meet interest charges will depend largely on credit facilities extended by the banks.

The financial statement for 1931 showed bank loans of $2,750,000, part of which is understood to have been on capital account. The report for 1932 which ordinarily makes its appearance next month, is likely to show a further increase in bank borrowings.

The debenture stock is a senior charge on Canada Steamship Lines and interest requirements on this issue are not large. Charges are payable in sterling at par and interest last year approximated $144,857. This compared with net earnings of $1,467,674 reported before depreciation in 1931, and current quotations on the debenture stock of around 70 tend to indicate its relative position to the general mortgage bonds which are nominally quoted at 18.

In past years the sinking fund has been lived up to and amounts approximating $400,000 or more have been redeemed each year. At the end of 1926 this issue was outstanding to the extent of $4,527,905 compared with $2,497,158 at the end of 1931.

Net earnings in 1931, though sufficient to cover total interest charges of $1,467,674 by a margin of $266,000, were changed to a loss of $1,310,462 after provision for depreciation and other charges.

Faces Major Problem

That the company is faced with a major problem is seen in the lack of working capital reported at the end of 1931. Current liabilities exceeded current assets by $1,836,070; bank loans totalled $2,750,000. In addition a deficit of $597,267 was brought forward in surplus account at the beginning of 1932.

Results obtained last year will be available in about a month's time. No figures on earnings were published during the course of the year but, with the exception of a monetary gain in grain traffic, there was little of an encouraging nature in the company's activities. Passenger traffic was off sharply, package freight was relatively low and hotel business was adversely affected.

Grain Movement Helped

Movement of grain down the Great Lakes was substantially heavier last season and for a time the fleet of Canada Steamship Lines was operating at a high level of activity.

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The first step to recovery—a balanced federal budget. The first step to recovery—a balanced federal budget. The first step to recovery—a balanced federal budget. The first step to recovery—a balanced federal budget.

When Two Straight Lines Meet

Eaton's Men's Furnishings Shop is run along the lines of correctly styled merchandise at the most moderate prices possible.

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PORTAGE LA PRAIRIE INCREASES VOLUME

But Loss Ratio Soars According to 1932 Figures

A very sharp increase in premiums written—particularly in the automobile insurance field—and a sharply higher loss ratio feature the annual statement of Portage La Prairie Mutual Insurance Co. for 1932.

Total premiums written amounted to just over $1,000,000 against a corresponding figure of $696,000 a year ago. Loss ratio on the basis of loss claims paid to premiums written was 33 per cent against 32 per cent a year ago. Loss ratio on an earned premium basis was almost 90 per cent according to Stratton Whitaker, managing director of the company. This ratio applies to total business. Loss ratio on automobile business on an earned basis was about 90 per cent compared with 31 per cent a year ago, and the fire ratio exclusive of assessment business which the company writes in Manitoba only, was somewhat below the 90 per cent figure. Loss ratio on automobile business on a premium written basis was 45 per cent. In its fire business the company reports heaviest losses in dwelling and farm business in Ontario and Quebec with very satisfactory results in the Prairie Provinces.

Surplus cash assets are lower at $501,895 as compared with $639,000 a year ago while total assets are $1,047,000 (exclusive of contingent assets which comprise unassessed premium notes, not allowed to be included in the company's asset statement under federal insurance laws).

	1932 $	1931 $
Prems. Written:		
Fire	575,764	539,890
Casualty	513,018	156,361
Total	1,088,782	696,251
Loss Claims	360,825	223,485
Reinsurance Charges	275,856	171,231
Management Exp.	330,896	201,107
Fire Policies Issued	42,757,623	42,757,623
Bus. in Force (Fire)	92,837,722	92,690,691
Total assets	1,047,373	817,408
Surplus cash assets	501,895	639,023

INVESTMENT SECURITIES

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The Toronto Symphony
A Miracle in Music
By Raymond Mullens

FORGING THE LINKS OF A NETWORK
A description in simple language, of the process in linking stations, introduced by a few dramatic episodes. — By W. E. Carruthers.

SPORTOGRAPHY
A new department of the Revue devoted to the lighter athletics in the realm of breeches and flannels. — By Gordon Cumming.

AS I WAS JUST SAYING
Raymond Mullens analyses the results of the Revue's contests, draws some conclusions, and indicates what he himself thinks is a good programme.

FICTION
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MONTREAL'S ENTERTAINMENT
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THE WESTERN MIRROR
Beginning a column by Col. G. S. Porter of Winnipeg.

EDDIE CANTOR
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The Nation's Business

(Continued from page 1)

without and poor seamanship within that is rocking it.

* * *

Painful Process of Economy

WHAT will the Canadian people have to do without in order to balance the federal budget? It is not a small task.

In 1931, if we had saved money in the following ways:

Cut the C. N. R. deficit in two;

Sold our merchant boats and eliminated the deficit;

Spent half as much on unemployment relief;

Paid out no wheat bonus;

Converted the entire public debt to a 3½ per cent basis;

Cut salaries by 20 per cent;

Granted no old-age pensions;

Spent no money on aviation development;

Cut out all mail and steamship subsidies;

Closed the National Research Council and abolished grants to scientific institutions,

we would still have had to make $34,000,000 of additional savings in other departments to have made the budget balance.

The items selected are not necessarily the logical ones where savings could have been effected. They are selected largely at random to show the size of the problem that faces this or any other government.

Economy is painful. So is an operation for acute appendicitis.

Facing Debt Dilemma Seen As Nation's Need

Montreal Accountant Points to Challenge of Canada's Debt Crisis—Thinks Budget Must Be Balanced and Reforms Instituted

By GEORGE C. McDONALD

(Address to Montreal Branch of McGill University Graduates Society)

My remarks may appear obvious and elementary but I prefer to deal with things that I understand myself and concerning which I may have some hope of making myself understood, rather than to attempt to deal with the involved and fantastic theories which are so prevalent in these days. At the same time I firmly believe that it is by a careful analysis of the simple and obvious that we can get a clearer picture of the situation and a better understanding of the way out.

It seems to me we are laboring under a threefold burden of debt:

1. War debts.
2. Private debts—resulting from the speculative boom, and which for the sake of distinction I like to refer to as "speculative debts."
3. Governmental debts.

1. The war debt situation seems to have been so thoroughly discussed that it is hardly necessary to refer to it except to say that these are obligations incurred for purely destructive expenditure which left no assets capable of furnishing any source of repayment.

2. The second class are those due to obligations incurred in the years leading up to 1929, based on entire over-valuation of commodities and securities, and to the extent that these debts are also no longer represented by assets capable of furnishing any source of repayment I categorize them as belonging to the burden from which we are suffering.

3. The third class—governmental debts—are those which are due to capitalization of revenue deficits and the failure to provide proper amortization of debts which have been incurred for what might be called "expenditure on capital account."

Fetters Crippling World

These are the fetters that are crippling the world today and to the extent that payment of them is beyond the productive capacity of individuals, nations or the world generally, there must be concession or else a breaking down of some sort.

This, then, is what we are faced with—obligations to be met for which there are no assets capable of producing the where-with-all to pay interest or principal.

While a clearing up of the war debt situation would go a long way toward helping to improve matters in international trade, there is not very much that we in Canada can do to bring it about.

In regard to the second class, the private debts arising from the past speculative era, there is still much to be done but the various situations are being taken care of or are taking care of themselves by the ordinary business processes of concession, either voluntary or through bankruptcy. These situations are not by any means entirely cleared up as yet but the sooner they are faced and readjusted the sooner will we be on our way to normal times again.

Government Debt Problem

As to the third class—governmental debts — I am afraid there remains a lot to be said and done.

The statistics that have been put out on this subject by the Canadian Chamber of Commerce show that this situation began to develop disproportionately about 1904, with the velocity increasing more rapidly after the war. The most striking figures that have been announced are those applicable to the last 18-year period, where it appears that annually for each $134 that has been spent, $34 has been borrowed and added to our debt. The time has now come when, to all practical intents, we cannot borrow any more money and we are now alarmed as to whether we can pay interest and amortize the debt as it stands at present.

I may say that we are not alone in this situation. Great Britain discovered a similar situation and immediately took steps to balance her budget. The discovery of it was a rude shock to the credit of Great Britain, but her people pulled themselves together, faced the music and showed that they had confidence in themselves and their country, with the result that in many ways Great Britain is today in a more satisfactory position than almost any other nation in the world. We have not faced that issue here, nor has it been faced in the United States.

Canada Must Face Music

The time has now come when it must be faced, and as soon as that is done I am confident that we shall be well on the way to recovery. I, personally, do not think that any artificial means, such as juggling with the currency, will correct what is wrong. If our chief trouble is due to the fact that we owe too much money, how can we possibly expect to improve things by increasing our obligations, and that, I take it, is what would happen by any scheme of inflation.

When we examine the manner in which the money was spent in incurring the debt, it is well for us to keep in mind what are the proper functions of government. Involved in this are two questions of great importance in Canada.

One is the extent to which government has gone into business. As you all know, the principal part of our federal debt and a large part of the debt of some of our provinces has been incurred through the conduct of business enterprise by governments. Half of our present federal debt is due to the Canadian National Railways.

Social Aspect of Government

The other question is to the extent to which governments have been spending money on social and educational work. I think the governmental expenditure on social work came from motives that should be commended. At the same time, I think that perhaps we have been wrong in our attitude in this matter and that the function of government should be rather to see that educational and social work is properly provided for than to provide the funds for the work itself. In an effort to provide educational facilities for everybody, the governments of our Western provinces have all made very big expenditures on provincial universities.

As to social work, I have in mind particularly unemployment insurance and old-age pensions. There seems to be a tendency to expect governments to supply these two services. It seems to me that the function of government should be to see that these services are looked after by industry in co-operation with the employee. At the present moment, some of our private enterprises and corporations have pension and insurance schemes toward which their employees contribute. Some of them also have profit-sharing schemes about which I have spoken on former occasions and which, I consider, contain elements that would go a long way toward prevention of recurring depressions.

Federal Function Over-Extended

I would like to add a word or two about the tendency of the federal government to make expenditures which, to my mind, should be provided for by provinces or municipalities. Apparently the only answer that can be made to the criticism of the federal government having undertaken obligation for part of the cost of our new (Montreal) harbor bridge is that it was done to justify similar action in other provinces and other cities. I am afraid that these expenditures have been promoted to a very considerable degree for the purpose of currying favor with the voter, and the unfortunate taxpayer has been completely ignored.

At the present moment, we have the federal government standing behind the provincial governments and these in turn helping out some of the municipalities. Apparently the situation now is that in the last resort the federal government will lean on our much-maligned banks. Our confidence in our banks is the best sheet anchor we have in Canada today.

New Definition Needed

Looking at this situation it must be obvious to every one that we must take a more intelligent and active interest in our governments and in the people chosen as our representatives. The functions of the different governments should be re-defined so that we might never again have a situation where everybody seemed to be leaning on the central government. In the definition of these functions it seems to me that the federal government should keep out of purely provincial and municipal affairs, retire entirely from the field of business and restrict its functions to those of a regulatory nature. If the provincial governments want to go in for public ownership, let them do so but let them be wise enough to keep their public ownership out of politics. Remember that when a private business fails the shareholders and creditors bear the loss, but when a government enterprise gets into difficulties the taxpayers must assume the burden of debt.

We are in a very difficult position in the matter of raising sufficient taxes to meet the various governmental obligations. All those who have looked into the figures must be impressed by the very large increase in the taxation on property and it now appears that in more instances every day property is being abandoned because of its inability to support the burden of taxation.

Two Bad Features

It behooves us to give some thought to the situation. Immediately we see two bad features:

1. The present system of taxation does not bring home to every citizen of the community his responsibility to contribute to the cost of government.

2. Each class tries to pass the burden to some other class and the public-spirited and honest are penalized to the benefit of the unscrupulous.

May I suggest a simplification of the tax problem. We have our natural resources to work with. To these we apply our industry and our intelligence, and we get a certain reward. It seems to me that our taxation system should be based entirely on the measure of that reward. In other words, I think that the only sound tax is an income tax applicable to all earnings. I quite approve of the tax being graduated so that the so-called higher brackets would pay more proportionately, but every earner should pay something. How about the income tax receipt as the passport to the ballot box?

I think the time has come when such a system could be put into effect. I suggest that this tax should be levied and collected by the federal government, and the proceeds divided with the provinces and municipalities. Already there are indications that negotiations have been far advanced toward the collection of income tax in this manner.

Must Balance Budget First

You will have noticed some publicity given to suggestions about refunding the government debt and the likelihood of an appeal for conversion into a lower interest-bearing security. Before that appeal is made I think evidence must be given that the Dominion Government has made every possible effort to cut its losses and balance its budget. When that has been done and it can be shown that a lower interest rate will insure a balanced budget, it will then be timely to appeal to the owners of government securities for the support indicated. When this appeal is made, the scaling down of the debt to the extent aimed at will be done with the consent of the creditor. It is true that he may not have much alternative, but in any case he knows the measure of his sacrifice.

Once the budget is balanced I believe that confidence will be restored in ourselves, our institutions and our country; capital will come out to seek employment, prices will rise and we shall be better able to meet the rest of our obligations.

Reformation Needed

In my contemplation of these matters I have come to the conclusion that reformation is needed along two lines:

1. Instead of realizing that the most important thing for each one of us is to do something and to be something, there has been a tendency among too many of us to overemphasize the value of possessing something. When wealth came to us we failed to use it to the best advantage, whatever that may be, and I don't say that I know. But I do know that we went wrong when we turned our minds from work and expected our wealth to multiply itself and support us without work. What we need is more work and better work but we have upset the machine and its readjustment takes time.

2. Our other failure has been our lack of interest in "government." We appear to have expected governments to function properly with a very perfunctory interest on our part, either in what was going on or in those responsible for it. With such indifference on our part, can we expect to have great leaders at the head of our public affairs? It is possible that we may have had better men than we deserved but I am afraid that we have become accustomed to seeing in our public places men who are "followers" rather than leaders.

Today the world is crying out for men of courage who are willing to give a lead when it may not be popular, and even may go contrary to party platform. The Empire is fortunate in that in 1931 there were men of this type in Britain. It is my personal opinion that Canada at the moment is fortunate in having leadership that combines wisdom and courage.

The first step to recovery—a balanced federal budget.

HALIFAX POWER'S EFFORTS TO SELL SURPLUS BLOCKED

Roger W. Babson Interested in Plan to Enter Halifax

From Our Own Correspondent

MONTREAL.—An advertisement of the Halifax Power and Pulp Co., of Sheet Harbour, N.S., that it had a surplus of power and would be willing to supply citizens of Halifax with electric energy at a rate appreciably lower than that now in force, has created a bit of a furore in Nova Scotia utility circles.

Halifax Power claimed that it had a surplus of 12,000,000 kw.h., which it was in a position to sell on terms favorable to the citizens of Halifax. Nova Scotia Light and Power Co., at present supplying Halifax, stated that the company had asked it to purchase the surplus power. This was refused by Nova Scotia Power on two grounds, first the cost of constructing transmission lines to Halifax and, secondly, that it had all the power and more than it could use at present.

Following the publication of this advertisement, an application was made to the Utilities Board by Nova Scotia Light and Power Co. for the rescinding of the order dated January 4 last excluding the Sheet Harbour company from the jurisdiction of the board.

Babson Has Interest

In a sworn affidavit, J. B. Hayes, of Nova Scotia Power, says that in October last the company was approached by Roger W. Babson, internationally-known economist and a substantial shareholder in the Halifax Power and Pulp Co., with a proposal that Nova Scotia Power should purchase from Halifax Power approximately 12,000,000 kw.h. of electrical energy, which represented a surplus arising from the inability of the Halifax Power to use this amount of energy which it had agreed to purchase from the Nova Scotia Power Commission.

Following upon the submission of this affidavit and additional evidence, a decision was reached rescinding the exclusion order so that the Halifax Power and Pulp Co., of Sheet Harbour, is back again under the jurisdiction of the commission.

Inasmuch as the commission has control over the financing of public utilities, present plans of Halifax Power for new financing will have to be submitted for approval before the company can go ahead.

Newsprint Sale Under Contract Tale Is Denied

Great Lakes Paper Co. is not seeking contracts for newsprint at the present time despite reports from New York that the company is offering newsprint at as low as $38 per ton. E. B. Eddy Co. is also reported to have offered newsprint at $40 a ton, $5 under contract price of $45 per ton f.o.b. New York, and this report is denied by Eddy officials.

While most of the Canadian newsprint companies sell on the zone system and have an established price in each zone, Great Lakes Paper Co. always an independent, has not operated on this plan. Prices are quoted on a basis of f.o.b. Fort William and vary according to location of the consumer. In recent months the company has secured contracts with newsprint users on its own account which will enable the mill to operate at from 65 to 75 per cent of capacity during 1933. This is practically double the rate of operation in 1932. Prices received by the company for its output are not divulged.

ADVERSITY STOCK BOOM SENDS GOLD PRICES UP ON THREE CONTINENTS

(Continued from page 1)

ada has to meet heavy maturities in 1933 in United States and that there will therefore be a keen demand at a premium for every ounce of gold that can be turned out in Canada. United States citizens, who try to sell other securities in Canada when they fear further depreciation of the Canadian dollar in terms of the United States dollar, have no fear with regard to the gold stocks which they think might be rendered even more remunerative by such depreciation.

Stocks of companies which have been under normal conditions of currency just marginal producers, which pay their expenses and little more, have been gaining importance latterly because large reserves of low-grade ore blocked out have suddenly increased in value. Some are attracted by the notion that greater profits and keener demand may lead to larger production from individual mines in order to get advantage of premiums while they are going. And others still are just following the crowd.

Though there are undeniable reasons for the stock market excitement there are patent dangers as well. It is true that in the last three years the value of gold has immensely increased as measured in other commodities. It is also true that inflation of the Canadian dollar, if it eventually happens, may decrease that value through causing higher commodity prices. It is true that such inflation would be made up by a higher premium paid for gold by the Dominion Government in order to meet its maturing obligations in New York City.

Parity Would End Premium

But suppose these things did not happen: Premier Bennett's strong plea for a sound Canadian dollar may really mean something. If the Canadian dollar were to come up again to parity with the United States dollar the present premium for gold would disappear and the extra profit along with it. If prices for one reason or another should be inflated in Canada that would reduce profits of the gold companies which would have their raw material and labor prices increased thereby. There is also this to be considered that even if the most roseate hopes of traders should be fulfilled and production be stimulated far beyond present rates, that quicker production would sooner exhaust the mines affected. It must not be forgotten that mining is a wasting enterprise and that with every ounce removed from a mine it is that much nearer exhaustion in spite of increased tonnages made commercially available by lower production costs and increased values. Premiums on gold lead companies often to loot high-grade deposits as quickly as possible.

There are strong advocates in the world of managed currencies and even of fiat currencies. Some of these would like to demonetize gold and leave it a market only among those who use gold for jewellery, teeth, ornaments and industry generally. At the moment such advocates do not appear likely to accomplish their aims but the increasing talk of "humanity being crucified on a cross of gold," of putting other metals besides gold behind money and of commodity dollars shows that increasing severity of the depression might even cause a back-wash of sentiment against gold. Gold still appears to be in the saddle very strongly for settling international balances but none of the international financial machinery functions as smoothly as of yore. The economic conference this spring is expected to declare for currencies being tied to the gold standard as soon as conveniently, but expectations are often a far cry from assurances.

Is Unloading Intended?

There is also no conclusive evidence that the buying from the United States is widespread. The United States brokers, who have taken a trip into the northern mining regions, have reputations as astute traders who have made money on both sides of the market but mainly as bears in the last two years. Their trip to the north may be a sign that they intend to buy stocks but it is just as likely an indication that they have already bought and knowing ones express the opinion that some of the largest United States holders are on the selling side already. The few who have gained heavy lines of Canadian mining stocks are apt to reduce their line whenever public excitement carries the stock higher than reasonable investment principles would justify.

The gold stocks have undeniable attractions for the general public as well as for these professional operators because the yields are higher than for other classes of stock as a whole if no attention is paid to the fact that differing amounts should be deducted from dividends on the various stocks to represent return of capital. In the present market the factor that mining stock yields should include at least about 6 per cent for return of capital is mainly disregarded.

The first step to recovery—a balanced federal budget.

CANADA'S Permanent Character

Head Office Montreal

There is iron and rock in the veins of Canada, as well as gold and silver. The stern and heroic qualities that conquered a wilderness and built a Dominion, united from Ocean to Ocean, still predominate in Canadian character. There is a permanency in this country that grows out of that character.

The Bank of Montreal was the first permanent Bank in Canada and today it faces the future firm in its faith in the permanency of Canada's progress and the character and resourcefulness of the Canadian people.

BANK OF MONTREAL
Established 1817
TOTAL ASSETS IN EXCESS OF $750,000,000

TO-DAY at Simpson's

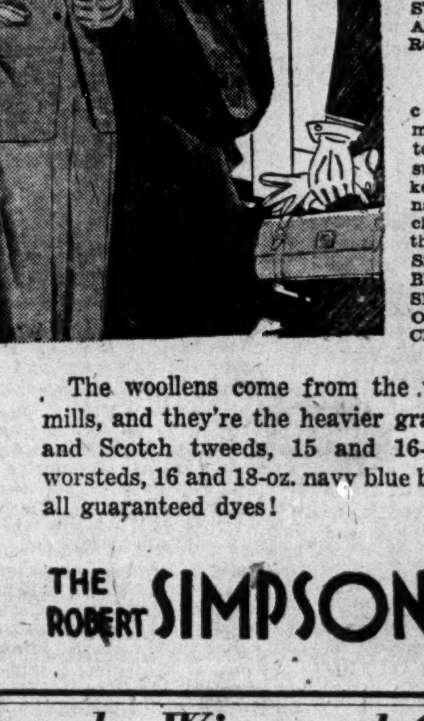
TAILORED-TO-MEASURE SUITS

$5 NOW

16.50

the balance in three equal monthly amounts if you choose to buy through the Home Lovers Club. No interest. No extras.

Simpsons—Second Floor.



Sales of made-to-measure suits at spectacularly low prices have been frequent during the last few months. Simpson's buyers, who are constantly in the market, naturally have watched the situation with keen interest. They have had many opportunities to stage sales of similar nature, but not until a few days ago has there come an offering which they deemed worthy of acceptance. But when it did come, it could not be turned aside. BECAUSE IT CAME FROM ONE OF THE MOST OUTSTANDING AND RELIABLE FIRMS IN TORONTO.

This clothing firm considered many months before deciding to take the plunge into such a low priced market—and it was only natural when the decision was finally made that they turned to Simpsons as the outlet. BECAUSE FOR YEARS SIMPSONS HAS DEALT ONLY IN QUALITY CLOTHING!

The woollens come from the world's finest mills, and they're the heavier grades: English and Scotch tweeds, 15 and 16-oz. imported worsteds, 16 and 18-oz. navy blue botany serges, all guaranteed dyes!

THE ROBERT SIMPSON COMPANY LIMITED

Canada Wire and Cable Defers Preferred Dividend

From Our Own Correspondent

MONTREAL.—Directors of Canada Wire and Cable Co. have decided to defer the quarterly dividend on the preferred stock, ordinarily payable next month. No explanation is given as to the reason or reasons for this step. During 1931 the company earned $9.40 a share, as against dividend requirements of $6.50 a share.

Dividends on the Class B stock were omitted with the March 15, 1932 payment. The Class A dividend was passed with the quarterly payment due on September 15 last.

Earning power of Canada Wire and Cable Co. was well developed between 1929 and 1931, but it is understood that heavy losses have been experienced by the company due to the fall in value of inventories. The company is engaged in the manufacture of all types of copper wire and cables, operating wire plants at Leaside and Hamilton, Ont., and a rod mill and wire drawing plant at Montreal East.

Noranda is Interested

General Cable Corp. of New York holds a substantial interest in the company through ownership of a large block of both A and B common shares. In August 1930 Noranda Mines made agreement with the company whereby it acquired 30,000 Class B shares at a price of $35 a share.

There has been an inactive market for the stocks of Canada Wire. The preferred, A and B shares are offered at 71, 30 and 15, respectively, with no bidders.

Howey Gold 1932 Output $1,121,000 Plus Exchange

Production by Howey Gold Mines for the three months ended December 31, 1932, was $265,000 from 86,000 tons of ore treated bringing the year's production up to $1,121,000. In addition there was exchange compensation amounting to an additional $148,000.

Total operating costs for 1932 were slightly below $2.50 per ton of ore mined.

	3 Mo. end. Dec. 31, 1932	Total 1932
Gold rec., $	265,000	1,121,000
Tons milled	86,000	328,700
Rec. per ton, $	3.08	3.41
Tons daily	935	900

Columario is Financing To Construct Small Mill

Columario Gold Mines, which has been developing a gold property near Usk, B.C., has formulated plans for financing that will permit of the construction of a mill, according to officials of the company.

In midsummer 1931, W. G. Norrie, consulting mining engineer of Vancouver, reported on the property saying that a rough calculation indicated that between the Tenderfoot tunnel and No. 4 tunnel, it would be possible to develop approximately 75,000 tons of ore from the known ore shoots. About $100,000 was estimated as being necessary to put the property into production.

Strike at Anyox, B.C., Threatens Mine Closing

From Our Own Correspondent

VANCOUVER.—A strike of 1,000 workers at the Granby Consolidated Mining & Smelting Company's plant at Anyox threatened to tie up the copper industry in that section indefinitely. The strikers demanded an increase in wages of fifty cents a day and the reduction of board and lodging charges by twenty per cent.

NEWS FROM

Canada's Capitals

A week-by-week summary from Ottawa and the provincial capitals of legislative developments of interest to business.

OTTAWA.—Parliament resumed on Monday, January 30, after the Christmas adjournment. Features of the first day's business were the introduction of a bill to lift the ban on export of liquor to the United States, imposed in 1930. The perennial Quebec request for permission to issue bilingual currency in the Dominion was renewed but on division members moved to adjourn the debate which automatically sent the private member bill to the bottom of the list. Announcement was made by Hon. Edgar Rhodes that government estimates would be tabled this week.

Regarding a possible political union between Canada and Newfoundland, Mr. Bennett reported no official correspondence, but stated having received a personal letter from Mr. Alderdice, stating that if the matter were to be considered, ample opportunity would be given. "or something of that sort."

Tuesday, Jan. 31.—Hon. R. B. Bennett made a lengthy statement on proposed Russian barter plan and labelled proposal as too indefinite for any government to consider. Measures planned to considerably tighten existing federal income tax laws were introduced by Hon. E. N. Rhodes, but, due to controversy still remained in committee of the whole. Four reports from the joint committee which investigated the Federal Pensions Act were tabled. Chief recommendation was abolition of the pensions tribunal, but there was wide diversity of opinion in the four reports.

In the Senate a motion for discussion of control of bus, truck, rail and airway competition was introduced but held over till Wednesday. A discussion of the finances of the League of Nations was promised.

Wednesday, Feb. 1.—Hon. E. N. Rhodes presented the main estimates ($358,656,488.11) for the fiscal year 1933-34, showing small economies ($6,227,735) over last year.

Hon. R. J. Manion announced satisfactory arrangements have been made for the transportation of grain for domestic consumption from the prairies to British Columbia. J. S. Woodsworth moved a resolution calling for the "setting up of a co-operative commonwealth." During his speech he narrowly escaped being expelled for violation of rules.

Thursday, Feb. 2.—Debate on the Woodsworth resolution continued.

Senate—Railway committee decided 24 to 1 against rail amalgamation.

Friday, Feb. 3.—Hon. H. H. Stevens announced there will be no grain act amendments this year. The Commons considered trade and commerce estimates. Mr. Stevens was cross-examined re the Government's Russian policy, but did not add to the information given to parliament last week by the Prime Minister.

Monday, Feb. 6. — Report of Superintendent D. M. Ormond, penitentiary branch, dealing with recent prison riots tabled. Ormond finds supervision insufficient and inspection inefficient. The Government accepted a resolution moved by Alfred Speakman, U.F.A., instructing the Banking and Commerce committee to study the problem of debts and interest charges. Mr. Rhodes announced that the next Government loan will be a large one and may be made available to small investors by printing bonds of $100 and $200. Somewhat similar resolution calling for an enquiry into price spreads moved by Robert McKenzie, Liberal, Saskatchewan. The debate adjourned with prospect of the Government accepting the suggestion.

Senate—Hon. Pascal Poirier moved a resolution favoring a six hour day. Debate not completed.

Tuesday, Feb. 7.—Liberal opposition attacked personnel of newly appointed Tariff Board. Mackenzie King refers to Milton Campbell in these words: "No more partisan appointment could possibly have been made." Income tax amendment advanced to first reading and two statutes dealing with 10 per cent cut in salaries proceeded with.

Senate — Railway committee heard rail heads who report co-operative economies are being made but decline to give details until later in the month.

QUEBEC.—Premier Taschereau tabled correspondence between the province and the Federal Government on the St. Lawrence Waterways scheme. Quebec's objections to this enterprise were primarily: enormous cost in a time of financial crisis; it will confer no benefit on Quebec, British Columbia or the Maritimes; the route would be closed five months of the year; providing 1,000,000 h.p. of electric energy at Quebec's and the other provinces' expense, when Quebec already has an abundance of power resources.

The Government introduced a bill into the Quebec Legislature tightening up on the types of investments in which a trustee can invest funds. Such investments would be limited to securities or obligations of the Dominion, provinces, United Kingdom, United States, Quebec municipalities, Quebec school corporations, Quebec church or parish loans and Quebec real estate to an amount not exceeding three-fifths of municipal valuation.

First reading was given in the Quebec House to the bill regulating installment sales.

Quebec stands in a disadvantageous position in comparison with Ontario in the matter of industrial competition because of the clause in the Quebec Workmen's Compensation Act, which provides that the injured workman may select his own physician, according to Premier Taschereau. It is likely that an amendment will be made in the act.

EARNINGS LOWER FOR PAGE-HERSEY THAN DIVIDENDS

Depression and Exchange Fluctuations Limited Net to $1.95 on Com.

FINANCIALLY STRONG

President Near Suggests Reducing Gold Content of Monetary Units—Foreign Business Less Profitable

Profits in 1932 of Page-Hersey Tubes, as shown by the financial statement presented to shareholders at the annual meeting in Welland on February 7 amounted to $481,852, of which $312,637 was profit from operations and $169,215 income from securities. After depreciation, provision for taxes and preferred dividend, the earnings per share of common stock were $1.95 as compared with $5.81 for 1931. Despite this drop in earnings the directors, at a meeting following the annual meeting, declared the usual dividend of 75 cents a share for the quarter ending March 31, 1933, payable April 1.

INCOME AND SURPLUS ACCOUNT

Years Ended Dec. 31

	1932 $	1931 $
Operating profit ...	312,637	‡852,350
Add interest, etc. ...	169,214	161,389
	481,851	1,013,739
Less:		
Depreciation	75,000	....
Dom. and prov. taxes	64,200	....
Net profits	342,651	1,013,739
Less appropriations:		
Preferred divds. ..	1,274	1,384
Common divds	675,532	855,769
Surplus for year	*334,155	156,586
Add: Prev. surplus ..	1,057,326	3,400,740
Bal. carried fwd. ...	723,171	†3,557,326

‡After providing for bad and doubtful debts, income tax and depreciation.

*Deficit.

†Of which $2,500,000 is designated surplus, and $1,057,326 is profit and loss balance.

Directors are to be congratulated on the decision to show the actual amounts deducted for depreciation and taxes in the latest profit and loss statement as this gives shareholders a clearer idea of the situation. W. W. Near, president and managing director, states in report to shareholders that he considers the amount of $75,000 allowed for wear and tear of machinery and plant to be "ample in view of the decreased output." It is understood that $178,799 was charged for depreciation and $107,469 for taxes before showing operating profit in 1931.

Weldless Mill Output Low

During 1932 the company dropped the common dividend from $5 a share to $3 a share. That rate is still continuing although not covered by current earnings. Its continuance may be a sign that the company hopes there may be a turn upward in business. With the new weldless mill operating only at 11 per cent of capacity in 1932 the company doubtless did well under present conditions to make such good earnings as are reported. The cessation of demand for well casing was due partially to the action of the Alberta Conservation Commission in prohibiting the further drilling of gas wells in the Turner Valley district and by the absence of tariff protection on boiler tubes, the importations of which into Canada are still duty free.

Exchange Stability Essential

Exchange fluctuations have been a very important influence in the company's year. On this point the president said:

> "The depreciation in the gold value of the pound, sterling, has proven a very serious handicap, not only in the domestic trade, but in that of exports as well, the position being that your company is obliged to pay for its supplies of raw materials on a gold basis, and sell its products against a depreciated currency."

Predicts Better Business

The report to shareholders also stated that expenses of operation have been markedly reduced, finances kept in excellent shape with working capital sufficient and plant and machinery in excellent condition and of the most modern design.

"All that is needed is better business, which must come," concluded Mr. Near in report to shareholders.

The following working capital account demonstrates that the president's claims as to working capital are correct:

Working Capital Strong

	1932 $	1931 $
Current assets	5,356,836	6,055,835
Current liabs.	368,122	580,615
Working capital	4,988,714	5,475,220
Ratio	14.55—1	10.43—1

Of the current assets cash was down to $474,271 from $644,238 as a result of the year's transactions. Call loans at $600,000 show no change, bills receivable dropped slightly from $33,462 to $32,338, accounts receivable reflected the lower business activity by a drop from $298,720 to $137,772. Governments bonds at $2,463,878 were down less than $3,000 and had an actual market value on December 31 $11,974 ahead of the amount shown.

Inventories of merchandise, which were not checked by the auditors, were down from $1,666,681 to $1,453,229, and it is stated by Mr. Near that values were taken at cost or market, whichever was lower.

Subsidiary Advances Decline

Advances to subsidiaries are down from $346,481 to $195,348. On the latter item Mr. Near remarks, "This compares favorably with $844,935 due at the end of 1928. These represent amounts advanced to and material furnished these companies; they fluctuate as business develops or declines."

A note to the balance sheet states that there is a contingent liability of $200,000 representing bank guarantee for subsidiary companies. This compares with $130,000 a year earlier.

The reduction in current liabilities includes a drop in accounts payable from $186,174 to $2,601, almost a virtual disappearance. Bills payable went up from $65,665 to $200,000. Dividends payable dropped from $214,137 to $126,180 and reserve for taxes from $107,469 to $38,116.

CRISIS OF 1931 IN GREAT BRITAIN SHOWS WAY TO CANADA IN 1933

(Continued from page 1)

reached the point where they were a levy on capital. Heavy income from death duties, for instance, represented the use for current spending of the country's accumulated capital.

A British writer, J. W. Kempster, has summarized the social and political causes of depression in Britain in these terms. Application to the Canadian situation indicates a striking parallel:

> "1. Failure of Parliament adequately to control the national expenditure and to avert extravagance, in turn influenced by voting power having outstripped the voters' sense of financial responsibility and economic knowledge, resulting in spendthrift national finance.
>
> "2. The dead weight of national indebtedness.
>
> "3. Overgrowth of social services, and abuses incidental to the unemployment insurance system.
>
> "4. Over-taxation, largely as a result of war indebtedness but also partly due to the above causes, resulting in an unbalanced spending power in relation to production and real savings, thus hampering enterprise, and diverting expenditure into non-reproductive channels, besides sapping national morale."

One has only to substitute government railways for unemployment insurance to make the parallel complete.

Social Services Took Most Money

In 1931, Britain was disbursing in public and local expenditures £1,057,000,000 or 25 per cent of the national income. On social services alone the central treasury was spending £396,000,000 a year. The expenditures continued even after "that weary Titan, the British taxpayer" had proven unable to keep up the supply of money, and deep deficits were shown by the treasury.

Year after year, Chancellors of the Exchequer promised surpluses. But there came the time when they could not keep their promises.

In the spring of 1931 there were many in Parliament and out who felt that the country should stop fooling itself and face the facts. The budget of the spring of 1931 promised a surplus—a small one. Knowing people realized that it was a forlorn hope. The House of Commons insisted on knowing the truth. The Labor government met them with an ancient political device, that sometimes confounds its sponsors by being useful—a Royal Commission. Under Sir George May, famed insurance actuary, a Committee on Economy in National Expenditures was formed. It was anticipated that the members would spend the usual twelve-month in looking into things and would produce the usual unread blue book.

Huge Deficit Forecast For Year

But Sir George May and the majority of his committee rudely surprised the government by meeting at once, working quickly, keeping their task simple and handing their report to the government in July, less than four months after their appointment. They told the government laconically, and pointedly:

> "To produce a properly balanced budget in 1932, inclusive of the usual provision for the redemption of the debt, a deficit of £120,000,000 has to be made good by fresh taxes or by economies..."

Budget Deficit and Flight From Pound

The cabinet worried for a few days. Finally on the day Parliament adjourned, July 31, they released the report. Coming in the midst of high financial tension in mid-Europe and following the French delay that vitiated the Hoover moratorium gesture, the report created a sensation. It intensified the previously feeble flight from the pound.

We in Canada may well ponder on that fact. The flight from the pound was due more to the failure to balance the British budget than to any other cause.

The May report was handed over to an economy committee of the cabinet to study. Day after day, in sweltering August, they discussed its implications and tried to reconcile its particular recommendations of economy—which included salary cuts and reduction in social expenditures—with their political policies. It was then that the King came down from Balmoral and Ramsay MacDonald rose above party to be a true leader of State.

National Government Takes Up Task

The Labor government split. There were men in it who thought it more important to pursue their Socialist course and keep their unwise pledges to the public than to face the crisis and balance the budget.

On August 24 the cabinet resigned. On August 25 a national government was formed.

A new budget was put before the hurriedly summoned House of Commons a few days later. It authorized great cuts—£70,000,000—in expenditures and some new taxes. A balanced budget was planned.

The Chancellor of the Exchequer said:

> "Foreign confidence in British credit must be firmly established. And to do that it is necessary to convince the world that our national finances have been placed on a sound basis. We have to convince the world that we are paying our way...
>
> "The choice is between this budget, with its unpleasant economies and heavy taxation, or a paper currency with no stable value, and more or less the ruin of everybody."

Public Supported Economy Budget

The immediate effect on British credit was good.

Having balanced the budget or done what they could to insure balance the government resigned. There was an election. On October 27 the national government swept into power with a majority of over 500.

The unpleasant dose of financial medicine had won the approval and support of the British people. Those politicians who thought the public would not stand for a cut in social and other public expenditures were wrong.

From the time the May committee was appointed until the day the last of the steps had been taken to balance the budget, and the new government had been returned to power with a majority sufficient to enable it to continue to the process of financial re-creation, was less than only seven months.

From the day Britain took steps to balance its budget to this time there has been relative improvement in the British situation. True the world crisis is still with us but Britain has largely held her own while other nations have further deteriorated in finance and industry.

Canada Too Has Huge Deficits

So much for Great Britain. What about Canada?

Canada also is spending more, in her national government, than she is able to extract from the taxpayers. In 1930-31 the deficit was $65,000,000, counting the deficits on the national railways, on steamships, etc., which are not included in the finance minister's annual figures. In 1931-32 it was $161,000,000. This year it will exceed $150,000,000 in spite of new taxes calculated (or miscalculated) to bring in $55,000,000 of new revenue.

In Canada too the government is spending larger sums on social services that the country can afford.

In Canada too we have been promised surpluses only to have deficits turn up.

In Canada too taxation on all accounts takes about 25 per cent of the national income.

In Canada too there has been a flight from the home currency; Canadian bonds have been offered freely; Canadian dollars have been sold short; large balances are being transferred to New York and London, chiefly to London since United States finance is not as sure of its own position as it is of London's position.

Budgetary Inflation Weakens Confidence

Talk of inflation in Canada has had something to do with the nervousness regarding the Canadian position. But while currency inflation may be talked of, budgetary inflation is a present and ugly reality and is the important reason why confidence in the Canadian position has been impaired.

Investment of American money in Canadian gold stocks is a bright spot; primarily it is based upon a frantic desire to buy something safe and certain, something immune from the capital confiscation of international inflation or revalorization schemes. The high prices paid for the gold stocks are a premium paid for safe protection from a writing down of the gold contents of currencies.

We Can Avoid National Government

It is not unavoidable that the sequence of events in Great Britain should form the pattern for the financial history of Canada in the next twelve months. The Labor government in Britain could have averted the budget crisis, could have averted much of the flight from the pound had it taken drastic measures to balance the budget. But the party had too many pledges lying around; it had burned too many bridges behind it; it was internally split. A genuine crisis and then a national government were necessary to accomplish what had to come.

It is true Canada does not need to experience the nervous tension of an acute budget crisis, that it does not need a national government to take the steps essential in budget balancing and restoration of confidence in the Canadian position. The present government can clean up the situation if it will.

Public Should Be Told All

To balance the budget, Mr. Bennett's government will have to place the facts of the situation squarely before the Canadian people and demand their patriotic co-operation in the painful process of cutting expenditures. With a clear-cut majority and great personal courage, the prime minister is capable of balancing the budget without a coalition.

Mr. Bennett will have to cut off mercilessly schemes of social expenditures that he inherited and that he initiated. He will have to close up luxury arms of government of which a score could be mentioned. It will be a case of slash, slash, slash and the bigger the items and the more popular they are the greater may be the need of slashing. As Walter Lippman said in one of his pointed New York Herald-Tribune editorials a year ago:

> "A government which can not reduce subsidies to special interests is under their heel.
>
> "Therefore, from the point of view of the national credit, those economies which are politically the most dangerous are for that very reason the most important."

Mr. Bennett Has First Opportunity

If the present government finds it politically impossible to achieve the economies necessary to budget balancing then the more drastic remedy may be forced by the inexorable logic of the situation—that remedy being a national government or political suicide club of true patriots.

But Mr. Bennett, with a safe majority, has his opportunity first and there is every disposition among the good citizens of Canada to give him freedom to grasp that opportunity.

Will Mr. Bennett, like Ramsay MacDonald in 1931, "unawed by opinion, unseduced by flattery, undismayed by disaster, confront political life with courage, and even political death with Christian Hope?" This would be patriotism indeed, patriotism of the kind that is rare but pleasant to behold and record.

Governments Just Like Individuals

It is too little realized that there is a close parallel between the position of the individual and the position of the State in this matter of income and outgo. If the private individual does not balance his budget he gets into trouble and he soon gets on the black books of credit managers everywhere. If governments do not balance their budgets they get into trouble and ruin their credit. We can stop the process of credit disintegration and energize the process of re-creation by deflating our government.

We have temporized too long. Since the end of the war one government after another has done the same thing in different countries. Seldom has a government been found ready to grasp the situation and take heroic proceedings. It is not the habit of political bodies to deal quickly and firmly with situations that are going from bad to worse. But the governments that have done this have contributed nobly to the prosperity of their peoples. Outstanding was the performance of the National government of Britain in 1931 and since.

"Soo" Railway Chalks Up Big Deficit Last Year

From Our Own Correspondent

MONTREAL.—Preliminary report of Minneapolis, St. Paul and Sault Ste. Marie Railway System, including Wisconsin Central, for 1932 shows net loss of $9,060,880 after taxes and charges, comparing with net loss of $6,977,646 in 1931.

No particulars are available as yet, especially in regard to the manner in which the company met its funded debt charges, the majority of which are guaranteed by the Canadian Pacific Railway. The latter controls the Soo Line and at one time or another has guaranteed interest, or principal and interest, on Soo bonds to an aggregate amount of between $80,000,000 and $90,000,000.

In view of the difficulties being experienced by the parent company through depreciated earning power, considerable interest attaches to the point of whether or not the Canadian Pacific has had to make good its guarantees or, whether or not the Soo Line has been able to borrow sufficient funds from the Reconstruction Finance Corp. or the banks in order to meet its obligations.

Retail Activity in Quebec

The Dominion Bureau of Statistics report for the year 1930 shows 33,078 retail stores and 10,780 service establishments operating during that year in the Province of Quebec, doing a business of $725,000,000. The former group recorded sales amounting to $667,173,500 while the latter showed receipts of $59,477,300.

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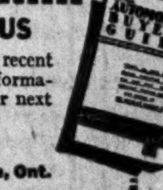

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Utilities and Transportation

SAY RAIL UNITY MAY YET COME AT 1934 SESSION

Proponents of Merger Absent From Senate Vote

From Our Own Correspondent

OTTAWA.—Far from defeating railway amalgamation or unification permanently, the vote in the Senate railway committee last week is well understood at Ottawa to mean postponement of the railway crisis.

This was very evident in the actual proceedings in the committee when the vote was taken. Some 25 senators were present out of a total committee membership of nearly all those who are on record as favoring railway unification.

The decision to shelve unification for the present session is regarded by some observers as a temporary expedient. They derive this conclusion from the government's main estimates and the scarcely veiled forecast of Premier R. B. Bennett that higher taxation was not to be expected in this year's budget.

Big Deficit Seen

The deficit which Hon. E. N. Rhodes will announce to Parliament on budget day—now expected to fall before the close of the month—will be little short of $150,000,000. This deficit will comprise a straight loss on current expenditures of some $47,000,000; a loss on the National Railways of $70,000,000; and special expenditures on unemployment relief, wheat stabilization and so forth.

The main estimates tabled last week call for an expenditure in the new fiscal year of $358,656,488.11 which is $6,227,735 less than the entire estimates for last year. Later on in the present session there will be supplementary estimates which cannot be held lower than several millions of dollars.

In reality, however, the government cut $11,862,163 out of the estimates. But debt charges, due to public borrowing, boosted interest payments by $4,694,188 thereby reducing the net saving.

When the net saving is analyzed, however, it emerges that the government has not attempted seriously to cut expenditures below last year's level. Of the net saving $2,881,765 represents an excess vote made to the Pensions Department last year, to take care of pensions renewals which never materialized. Believing these renewals never will materialize, the item has been stricken out. Another substantial sum is accounted for by the fact that compensation paid farmers for slaughter of infected animals is to be cut in two.

At the recent Dominion-Provincial conference the government made it quite clear that no material cut in unemployment relief was to be expected.

These facts, coupled with the assurance that the peak of taxation practically has been reached, prove conclusively that the real task of balancing the budget will not be tackled this session.

Little Railway Action

As far as the railway legislation is concerned about the only change now looked for is the possible elimination of the Arbitral Board. This will leave railway matters largely as they are, with this difference—that the National directorate will be re-organized.

To those closely in touch with events on Parliament Hill it would appear that the government, while not supporting railway unification, is doing everything possible to allow its proponents a clear field in the country in the next twelve months.

Beauharnois Plans Receive Approval

From Our Own Correspondent

MONTREAL.—The Federal Government has approved plans for the construction of a portion of the Coteau Rapids control work as submitted by the Beauharnois Power Corp.

The works proposed are dams to maintain the levels of Lake St. Francis in case of further diversion of water through the company's channel. It is understood that the company has not definitely decided to carry out the construction this year. It will not increase the amount of water the company is entitled to divert, namely, 53,000 cubic feet per second.

It is reported that a new plan for the financial reconstruction of the Beauharnois Power Corp. has been broached to the Government by a leading Canadian bank in association with an American bond house. The proposals contemplate the refinancing of the company and the assumption of its obligations to the government and the banks. This proposal is said to be under consideration but no decision has been reached.

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Shawinigan Statement Reveals Profits Lower On Last Year's Business

Working Capital Status and Liquid Assets Substantial

EARN $1.16 A SHARE

Lengthy Review of Conditions Facing Company Given by President to Shareholders

From Our Own Correspondent

MONTREAL. — Lessened industrial activity in the area served is reflected in the 1932 Shawinigan Water and Power Co.'s annual statement for 1932, which shows a decline in gross income, but a satisfactory liquid position.

Highlights in Report

The management have devoted considerable space in the report to affairs of the company over the past twelve months. Highlights of the statement follow:

Gross income in 1932 totalled $12,635,279, down from $13,693,195 in 1931;

Earnings on common stock equalled $1.16 a share compared with $1.191 in previous year;

No interest on bonds of Shawinigan Chemicals shown in income account;

Premium paid on U. S. funds totalled $770,523 compared with $200,000 in 1931;

Net working capital amounted to $2,045,685, down from $3,096,288 a year ago;

Rapide Blanc power project has cost to date $9,893,000; $4,107,000 needed to finish job;

Sources of Income

Gross power income in 1932 divided as follows:

	Percentage
Chemicals	8.5
Paper Industry	43.4
Asbestos Industry	5.7
Montreal Power	18.2
Retail	20.0
Miscellaneous	4.2

Paper industry provided $4,677,724 of revenue; $4,131,199 from primary power sales and $546,525 from secondary power sold for steam purposes;

Of the $6,000,000 5-year secured notes offered last spring, $4,053,000 have been sold;

Output is Maintained

Output in 1932 amounted to 3,266 815 903 kw.h. compared with 3,436,436,460 kw.h. in 1931;

Shawinigan Chemicals had an operating surplus in 1932 of $651,060;

Electric boilers of 120,000 kw. capacity were installed last year:

Dividend distribution aggregated $1,633,687 as against $4,901,062 in 1931.

Income Account Detailed

Income account shows gross income of $12,635,279 and after the payment of operating and prior expenses, net earnings of $7,388,915. The latter compares with $8,660,113 in 1931. Depreciation and fixed charges registered an increase, leaving $2,534,472 to take care of dividends. In 1931 $4,150,438 was available for dividends. After taking care of all charges Shawinigan had a surplus of $600,784, subject to income tax, compared to a deficit of $750,624, subject to income tax, in 1931.

Particulars of the income account follow:

	1932 $	1931 $
Gross Income	12,635,297	13,693,195
Less:		
Oper. Expenses	846,052	997,969
Power Purchased	1,560,845	1,354,007
Main. & Repairs	534,374	657,997
Taxes & Insurance	642,434	624,462
Water Storage	320,494	330,211
General	736,734	868,436
Exchange Premium	605,432	200,000
Net Earnings	7,388,915	8,660,113
Less:		
Fixed Charges	4,054,443	3,909,675
Depreciation	800,000	600,000
Net Profit	2,534,472	4,150,438
Less:		
Dividends	1,633,688	4,901,062
Cont. Reserve	300,000	......
Balance	*600,784	†**750,624
Add:		
Previous Surplus	576,456	1,355,392
Trans. Gen. Res.	......	400,000
Less:		
Income Tax	289,142	408,312
Surplus	*888,098	**576,456

† Deficit.
** Subject to 1931 Income Tax.
* Subject to 1932 Income Tax.

Plant Outlay Higher

Assets of Shawinigan at the end of 1932 totalled $176,270,689 as compared with $173,240,843 at the close of the previous year. The principal change was in the additional outlay of power development and property, which stood on the books at $89,398,584, up from $87,135,017 in 1931. Further capital was expended on transmission and distribution systems, this item being carried at $33,907,412 up from $31,704,800.

Current assets amount to $5,864,729 compared with $7,757,000 in the previous year. The principal change here was a drop in call loans and temporary investments from $3,045,335 to $1,394,743.

Cut Current Liabilities

On the other side of the balance sheet current liabilities have been pared down, aggregating at the end of 1931 $,2,652,567 as against $4,661,332 at the close of 1931.

No change has been made in the amount of capital stock outstanding. while the funded debt stands at $88,388,500 compared with $84,344,000 at the close of 1931. Of the increase $4,053,500 represents the new secured notes issued.

In his remarks to the shareholders J. E. Aldred dwelt upon certain major factors affecting the company in the following manner:

"At December 31, 1932, there had been charged to capital account in the company's books, $9,893,000 as the cost to that date of the Rapide Blanc Development. It is expected that, if conditions permit, the work of installing two of the four proposed units will be gradually carried out during the year. This will entail, including interest charged to construction, an expenditure of $2,729,000. It is estimated that a further expenditure of $1,378,000 will complete the plant to a capacity of 160,000 horsepower, making an aggregate cost of approximately $14,000,000.

Paper Situation Reviewed

"The income from the pulp and paper industry was received in two divisions, one from primary contracts which amounted to $4,131,199 and the other from secondary power sold for steam purposes amounting to $546,525. This latter item is comparable with $456,495 in 1931. Under the original primary power contracts with the paper companies all of the power contracted for must be paid for as such, and none of this power was to be diverted to secondary use for production of steam. The state into which the paper industry has fallen through over-development has caused your company to allow part of the primary power sold for the purpose of manufacturing paper to be used for producing steam. If this permission had not been granted to the paper companies, the return from secondary power during the year would have been considerably increased over the figures above given. The latitude given to the paper companies in permitting them to use power under contract for other than the direct manufacture of paper, has been of such benefit to the paper companies that it has assisted them toward continuing operations under more favorable conditions than would otherwise have been possible.

Asbestos Troubles Clearing

"Like the paper industry, the asbestos industry has suffered to a considerable extent, not only through the depression but from general over-production and competition. This over-production and competition is largely accounted for by the supply of asbestos from Russia and South Africa. However, in general the asbestos companies south of the St. Lawrence served by your company have continued during the year to fulfill their contracts for power and present indications are that the situation in this industry is gradually improving.

Chemical Subsidiary's Position

"Your company owns all the bonds and shares of Shawinigan Chemicals Ltd. Due to general industrial conditions, the chemical company has been operating at reduced capacity. The company's principal products are calcium carbide, acetic acid, lacquer solvents and a large number of other derivatives of acetylene.

"For the year 1932, after deducting manufacturing costs, administration and other expenses, the surplus, before bond interest amounting to $651,060 applicable to depreciation is $345,044.68. The Shawinigan Company received revenue from this subsidiary through the sale of power which has been paid for in cash; no interest on this subsidiary's bonds has been received nor included in this company's accounts.

"Saving its indebtedness to the parent company for bond interest, Shawinigan Chemicals Limited is in a strong liquid position, the excess of current assets over current liabilities being approximately $1,000,000. This company's business during the past few years has been gradually broadened and whereas five years ago the chemical business was largely confined to large consumers, since then the number of customers and their diversified requirements have increased to a substantial extent."

B. C. Sees Increase South Africa Trade

From Our Own Correspondent

VANCOUVER. — Expansion of British Columbia's market for lumber, box shooks, newsprint and canned salmon in South Africa is regarded as likely in view of the action of the federal government in providing $100,000 as subsidy for the development of shipping service between the two countries.

The chief obstacle to extension of this trade in the past has been lack of regular sailings.

Many Firms Negotiate to Use Vancouver Docks

From Our Own Correspondent

VANCOUVER.—Several companies are understood to be negotiating for the use of the Canadian National Steamships docks in Vancouver and it is probable that they will yet play an important part in the development of port business and this province's export trade.

Hull Blyth & Company (Canada) Ltd., has entered negotiations for the purchase of the docks, the plan being to use the docks for handling of freight between here and Australasia.

Union Steamship Company, of New Zealand, is also said to be seeking service rights, backed by the C. P. R.

The Department of Marine is said to favor the policy of retaining the docks and leasing them by tender in whole or in part to private companies.

B. C. Power Earnings Lower for Half Year

From Our Own Correspondent

MONTREAL.—Earnings of British Columbia Power Corp. during the first half of the current fiscal year ending December 31, 1932, were on a lower scale than those reported for the corresponding period in 1931. Gross income totalled $6,533,939, a decline of $636,830. Operating expenses were cut $286,615 to $3,629,747. This left a net operating income of $2,904.192, or $350,215 less than in the first half of the 1931 fiscal year.

Particulars as to the amount of income available on the company's A stock are not available, but in view of the fact that income during the first five months was insufficient to take care of dividends and that earnings in December were less than for the same month a year ago, no improvement is expected.

Jamaica Public Service Earnings Lower Last Year

From Our Own Correspondent

MONTREAL.—An improvement in December earnings, taking the £ sterling at parity, is reported by Jamaica Public Service. Gross income during the month totalled $77,759 as against $77,849 for the same month in 1931. After the payment of prior expenses, net earnings for December last totalled $40,140, while the surplus after all charges was $30,846. For December 1931 net earnings totalled $34,964 and surplus after all charges $25,593.

For the twelve months of 1932 Jamaica Public Service reports gross earnings of $790,917 and net earnings equal to $325,668. The surplus after charges amounted to $213,930. During 1931 gross income aggregated $829,598; net earnings $336,278; and surplus after charges $227,338.

Public Utility Earnings

	B. C. Power 1932 $	1931 $	Decr. $
December:			
Gr. earn.	1,180,286	1,242,040	61,754
Oper. exp.	759,883	815,599	55,716
Net earn.	420,403	426,441	6,038
6 Mos. end. Dec. 31:			
Gr. earn.	6,533,939	7,170,766	636,827
Oper. exp.	4,551,792	4,856,980	305,188
Net earn.	1,982,147	2,313,786	331,639

EXPECT NEW FORD TO BE ANNOUNCED IN WEEK OR TWO

Big V-8 and Light 8 New Models, Says Report

Announcement from Detroit that the Briggs Manufacturing Co., manufacturers of auto bodies for Ford and others, had settled the labor dispute which kept the plant idle for about a week automatically allows Ford of Canada to resume production. Ford's plant was closed down when no bodies could be obtained.

This forced closure of a week's duration has disturbed Ford's plans to announce the 1933 models this week but, as the plant has only been idle for a week, it may be assumed that the new Ford will be on the market about the middle of February.

There has been much rumor during the past month regarding specifications of the new Ford, but Business Week, New York, is the first publication in which there appears an article with a ring of authenticity.

New Big 8

Ford's plans for 1933, according to the current issue of that publication, include a bigger and better 8 with a larger V-type motor than the 1932 model and set on a longer wheelbase, this car to be put on the market in the course of the next week or so, and another lighter and more economical V-8 aimed to retain for Ford the lead in the very lowest price field. It is understood that the lighter car will not be put on the market until the spring.

The big eight, to be known as model 40, will be built on a wheelbase of 112 inches with refinement of streamlining calculated to impress the most modern-minded, it is stated. Detroit dispatches indicate that the new car will bear a strong resemblance to the new Lincoln, the most notable change in which is the snowplough radiator treatment.

Built to a Price

Model 44, as the light eight will be called, will be more than just bare transportation, but it will not be burdened with gadgets and purely luxurious refinements. So far as is known at present, Model 44 will have a wheelbase of 105 inches. Results of experiments in the use of cheaper though durable materials will keep the price down and the trade confidently expects the new car to sell for around $250 in United States, thus matching the new low 1933 prices of Willys and Continental.

SARNIA BRIDGE CO. SALES WERE LOWER

Loss is $56,033 in 1932 — Bank Loan Reduced to Only $5,298

Sales of Sarnia Bridge Co. dropped to $176,328 in 1932 as compared with $466,104 in 1931, $601,300 in 1930 and $1,129,629 the peak in 1929 and after deducting cost of sales, selling and general administrative expenses, the company had an operating loss of $32,432 in 1932 as compared with loss of $12,031 in 1931. Bad debts written off accounted for another $23,600 which brought loss for the year 1932 to $56,033 and the company carries forward a deficit of $51,121 into 1933. While working capital is much lower, bank loans have been reduced to $5,298 from $58,500.

Current assets are down to $74,742 from $197,749 due chiefly to reduction of accounts receivable to $16,090 from $88,652 and inventories to $57,996 from $107,312. Cash is shown at $576 and deposits on tenders at $80. Accounts receivable to the amount of $34,405 were written off during the year of which 21.600 was charged to operations and $12.805 was absorbed by reserve for bad debts. Current liabilities are down to $9,312, chief reduction being in the bank loan.

Property and plant are carried at $458,227 against which there is a depreciation reserve of $121,498 which has not been increased since 1929. There is outstanding 12,000 shares of class A stock on which the cumulative preferred lividend of $2 per year has not been paid in 1931 and 1932, and 15,000 shares of class B stock.

Income Account, Years Ended Dec. 31

	1932 $	1931 $
Net sales	176,328	466,104
Less: Cost of sales	158,537	392,848
	17,791	73,256
Less:		
Selling expense	33,418	54,478
Gen. & Admin. exp.	16,805	30,809
Operating loss	32,432	12,031
Loss in selling old equipment	......	358
	32,432	12,389
Add: Previous surp.	4,095	15,908
Adjustment	......	576
Less: Bad debts w/o	23,600	......
Balance forward	51,121	4,095

Shoe Company Exports Product

Something unusual in the way of international trade is reported by the Tillsonburg Shoe Company, in the way of a receipt of an order for thousands of dollars worth of shoes from a wholesale firm in Detroit, whose importations are distributed widely in the United States.

Alberta Coal Output Gains

Alberta's coal production in December amounted to 527,783 tons, as compared with 509,432 tons in December, 1931, according to the final figures from the Dominion Bureau of Statistics.

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"As I did not receive my copy of last week's Post on Friday as usual, I asked my cousin in Toronto, to telephone your office and tell you so. In response, you sent me an extra copy for which I am very much obliged. The regular copy reached me on Tuesday. Where it had been in the meantime I do not know. This week's copy reached me on regular schedule.

"I like your paper very much indeed and benefit by your clear way of putting things. As you know, however, there is nothing older than a delayed newspaper, and the value in which I hold your publication was clearly indicated by the prompt manner in which I complained of non-receipt."—*Vice-president of one of the largest U. S. banks.*

B. C. Pulp and Paper Keep Two Mills Open

From Our Own Correspondent

MONTREAL. — Sales of British Columbia Pulp and Paper Co. have been better than anticipated, according to Lawrence W. Killam. Demand for pulp is nothing to get excited about, he points out, but it has been sufficient to keep both mills operated by the company fairly busy.

The woodfibre plant was opened three months ago after a lengthy shut-down. At the time of re-opening they did not expect that operations would extend more than a month or six weeks, but the slow trickle of business has enabled them to keep the plant open. Port Alice mill was opened a few weeks later for an indefinite period which company officials felt might not be more than a month or so. At present, according to Mr. Killam, there is no likelihood of an early shut down.

The chief difficulty in the pulp business at present, Mr. Killam is reported as saying, is that no one, with the exception of British interests, is buying pulp on contract. Most of the buyers are working on a hand-to-mouth basis, afraid that if they buy too far in advance they will lose through subsequent recessions in prices.

Power Corp. Group Output Drop Small

From Our Own Correspondent

MONTREAL.—Power companies affiliated with Power Corp. of Canada report an output of electric energy in 1932 totalling 1,676,123,735 kw.h., compared with 1,767,671,986 kw.h. in the previous year, a decline of around 5 per cent. From the following tabular matter it will be seen that lower outputs were recorded by East Kootenay Power, B. C. Power, Northern B. C. Power, Manitoba Power and Northwestern Power, while increases were reported by Southern Canada Power, Canada Northern Power, and Winnipeg Electric:

	1932	1931
South. Canada Power	170,317,150	161,061,600
Canada Northern Power	441,150,290	418,226,810
East Kootenay Power	69,305,642	72,306,500
B. C. Power	467,891,270	492,612,852
Northern B. C. Power	8,603,183	8,945,824
Winnipeg Elec.	188,529,400	179,508,200
Manitoba Power	306,609000	384,775,000
Northwestern Power	23,717,800	50,235,200
Total	1,676,123,735	1,767,671,986

Grain Shipments Make Record

Grain shipments through Vancouver last year amounted to 104,700,471 bushels, which is a new record in the port's history, and figures for the present crop year indicate that exports for 1933 will exceed the total for 1932. During the 25 weeks ended January 20, wheat shipments from the British Columbia port amounted to 52,956,144 bushels, as compared with 31,744,094 bushels during the corresponding period in the previous year.

ANALYSES AND TESTS
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WABASSO COTTON ACTIVITY HOLDS ON EVEN BASIS

Prospects for Additional Orders Are Lacking at Present

From Our Own Correspondent

MONTREAL.—Operations of Wabasso Cotton Co. have been maintained on an even basis to date and mills, though on short time, have been running steadily. Unfilled orders, however, are diminishing and prospects for future business is stated to be uncertain at the moment. Forward placing by the trade is reported as far below normal; buyers have seldom been so reluctant to enter the market for future commitments.

Business of Wabasso has not been tangibly affected by the agreements reached at the Imperial Conference. The main changes tended to hit manufacturers of high grade fancy goods since benefits were granted to many lines in this division. Wabasso's output largely comprises staple goods and celanese weaves.

No Inventory Losses

Relative stability of the raw cotton market since beginning of the company's fiscal year July 1, 1932, has worked to its advantage and to date it is understood that no losses have had to be taken on inventories. In past years this factor has tended to cut into earnings. In the last fiscal year operations resulted in a loss after all charges of $283,705 compared with a net profit of $3,648 in the previous period.

Inventories were cut to $1,301,800, the lowest figure to be recorded since 1928. Bank loans were reduced by $335.000 to $550,000. Low selling prices, however, continue to curtail profits.

Levis Bank Reports Activity

The annual statement of the Caisse Populaire de Levis, read at the recent annual meeting, showed assets of $1,340,742, with the reserve fund placed at $215,100. During the year, Caisse Populaire paid out the sum of $27,000 in interest and $25,000 in dividends.

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MONTREAL, P.Q.
Wm. Phillips,
Manager,
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HIGHLIGHTS OF ANNUAL STATEMENT

Assets		$ 25,850,520
Policy and Annuity Reserves		21,085,822
Payments to Policyholders and Beneficiaries	over	3,300,000
Insurance in Force	over	147,700,000

ABSTRACT OF 44th ANNUAL STATEMENT

Insurance Issued and Revived	$ 21,630,781
Insurance in Force	147,721,473
Payments to Policyholders and Beneficiaries	3,373,152
Premium Income	4,533,600
Total Income	6,097,395
Total Assets	25,850,520
Policy and Annuity Reserves	21,085,822

HOW ASSETS ARE DISTRIBUTED

	Percentage of Total Assets
First Mortgages —	
City Properties	39.79
Farm Properties	8.71
Bonds and Debentures	20.86
Preferred and Common Stocks	3.06
Real Estate	3.26
Policy Loans	17.33
Cash and Other Assets	6.99
	100.00

COMPARATIVE FIGURES

	Insurance in Force	Insurance Issued and Revived
1892	$ 1,120,896	$ 517,000
1912	13,936,355	2,957,135
1932	147,721,473	21,630,781

Copy of Complete Report Mailed on Request.

FORD S. KUMPF—Waterloo, President
EDWARD F. SEAGRAM—Waterloo, Vice-President
GEO. D. FORBES—Hespeler, Vice-President
GEO. A. DOBBIE—Galt., Vice-President

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NOTICES

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DIVIDEND NOTICES

DIVIDEND NUMBER 237

Hollinger Consolidated Gold Mines, Limited

A regular dividend of 1% has been declared on the Capital Stock of the Company, payable on the 25th day of February, 1933, on which date cheques will be mailed to shareholders of record at the close of business on the 10th day of February, 1933.

Dated the 3rd day of February, 1933.

I. McIVOR,
Assistant-Treasurer.

Belding Corticelli Limited

DIVIDEND NO. 73

Notice is hereby given that on the Preference Stock of this Company, the Directors have declared a Quarterly Dividend of 1¾%, payable on the 15th day of March to Shareholders of record at the close of business the 28th day of February, 1933.

By order of the Board.

D. F. POLLOCK,
Secretary.

Borden's

COMMON STOCK DIVIDEND No. 92

A quarterly dividend of forty (40c) cents per share has been declared on the outstanding common stock of this Company, payable March 1, 1933, to stockholders of record at the close of business, February 15, 1933. Checks will be mailed.

THE BORDEN COMPANY.
E. L. NOETZEL, *Treasurer.*

The Canadian Bank of Commerce

Dividend No. 184

Notice is hereby given that a dividend of Two and one-half per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 28th February, 1933, and that the same will be payable at the Bank and its Branches on and after Wednesday, 1st March next, to shareholders of record at the close of business on the 31st January, 1933. The Transfer Books will not be closed.

By Order of the Board,

S. H. LOGAN
General Manager.

Toronto, 20th January, 1933.

BANK OF MONTREAL

Established 1817

DIVIDEND No. 279

NOTICE is hereby given that a DIVIDEND of TWO AND ONE HALF per cent., upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after WEDNESDAY, the FIRST day of MARCH next, to Shareholders of record at close of business on 31st January, 1933.

By Order of the Board,

W. A. BOG,	JACKSON DODDS,
General Manager	General Manager

Montreal, 20th January, 1933.

Imperial Oil Limited

DIVIDEND

Notice to Shareholders and the Holders of Share Warrants

Notice is hereby given that a dividend of twelve and one-half cents (12½c) per share, in Canadian funds, has been declared by the Directors of the Company and that the same will be payable in respect of shares specified in any share warrant of the Company of the 1929 issue within three days after the Coupon Serial Number THIRTY SIX (36) of such share warrant has been presented and delivered to ANY BRANCH OF:

THE ROYAL BANK OF CANADA

such presentation and delivery to be made on or after the 1st day of March, 1933.

Payment to Shareholders of record at the close of business on the 14th day of February, 1933, (and whose shares are represented by share certificates of the 1929 issue) will be made on or after the 1st day of March, 1933.

The books of the Company for the transfer of shares will be closed from the close of business on the 14th day of February, 1933, to the close of business on the 28th day of February, 1933.

BY ORDER OF THE BOARD,

F. E. Holbrook,
Secretary.

56 Church Street,
Toronto, Ontario.

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Manufacturers of
INDUSTRIAL
and
HOUSEHOLD
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in Canada
for over
TWENTY-FIVE YEARS

DOMINION
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MONTREAL
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News of Investment Markets

NEW YORK FIRM FEELS CANADA'S POSITION WEAK

Believes Inflation May go Further if Situation Does Not Improve

Weakness of the Canadian dollar in recent weeks is attributed in many quarters to fear that inflation may be carried still further in the Dominion and the selling of Canadian exchange in New York and London in anticipation of such a move. One New York brokerage house, which maintains close contact with Canada, issued a letter on January 9 on the Canadian situation which has had some circulation in the United States and which may indicate the opinion of investment houses in that country and thereby explain the current weakness of the Canadian dollar in terms of New York funds.

Expects Dollar Drop

Excerpts from the letter, which is of some length, are as follows:

"Unusually well-informed banking and brokerage houses in Wall Street are firmly convinced, as a result of a thorough investigation in both Canada and the United States, that a very strong move is on foot to devaluate the Canadian dollar and that this action, when, and if it occurs, will have a most serious effect not only upon American foreign trade but on the price of many decidedly important commodities. The action of the City of Calgary in proposing to tender Canadian dollars in payment of interest on dollar debentures payable in New York is regarded in one quarter as an expression more of Western Canada opinion than it is of Eastern. Western Canadian banking and business opinion is, at the present time, in favor of some such action while eastern banking and business opinion still insists on the payment of such obligations in American dollars. It should, however, be realized that the position of the eastern bankers is being weakened by the increasing difficulties of the Canadian economic and financial situation. Many of the recent payments of principal and interest made by Canada in the United States were possible only because the Dominion Government absorbed the whole or part of the Canadian exchange losses involved. If conditions become any worse it is hardly likely that the Canadian Government can afford to continue to absorb these losses.

May Tie to Sterling

"The facts of the situation in Canada are such that there is a feeling here (in New York) that the large Canadian banks and the Dominion Government will be forced to eventually tie the Canadian dollar to the pound sterling and that this will automatically result in further depreciation of the Canadian dollar in terms of the American dollar. That the Canadian situation should be watched very carefully is highly important as it is, so far as the Canadian dollar is concerned, most unstable.

"Precisely what way Canada plans to take out of her present situation it is hard to say. While Canadian Government officials and leading bankers are apparently unwilling to depart from extreme conservatism, the march of events may be such that their hands will be forced. Contrary as either further inflation or devaluation of the Canadian dollar and its attachment to the pound sterling may be, they may be compelled to take one of these steps to save the situation.

Situation is Delicate

"In any case the situation is extremely delicate at the moment. Already some of the better informed investment houses and banks are privately advising the postponement of the purchase of Canadian securities or the lightening of present holdings. Unless a change for the better of a radical nature takes place, the whole matter may be dragged out into the limelight and a sharp decline occur in Canadian exchange and heavy selling of Canadian securities occur. Furthermore, unless some method of rectifying some of the bad spots is found, wheat and copper prices will drop further and some selling occur in the securities of companies heavily involved in Canada such as Woolworth, Kresge, General Motors, General Electric, Westinghouse, etc."

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
Can. West. Nat. Gas	5%	1936	June 15	105
Toronto Conservatory of Music	*5%	....	Mar. 1	103
Amer. Salesbook	†6%	1939	Apr. 1	103½

*$5,000.
†Called in part.

Bond Sales

HALIFAX, N.S.

Dominion Securities Corp. and Bank of Nova Scotia have been awarded $366,210 5 per cent debentures of the City of Halifax, N.S. Of the total $184,000 matures in 10 years and $141,000 in 20 years the price paid giving the city a cost basis of approximately 5.065 per cent. Of the remainder $9,600 matures in five serial installments and $31,610 in 10 serial installments and the serial bonds were purchased on a bid of 100.50, a cost of 4.87 per cent.

The city called for separate tenders on serial and sinking fund bonds and bids were entered as follows:

BIDS RECEIVED

				Halifax payment and deliveries.	
	Serials	$322.000 10 yr.	$184,000 10 yr.	$141,000 20 yr.	$182,000 30 yr.
Dom. Securities Corp., Bank of N. S.	100.50	99.51	99.35	98.35	....
McLeod, Young, Weir & Co.	.....	98.80	98.80	98.80	98.80
Royal Bank, Wood, Gundy & Co., Eastern Securities	.....	99.077	99.077	98.777	98.377
W. C. Pitfield & Co., Johnston & Ward	98.25	98.56	98.56	98.56	98.56
A. E. Ames & Co.	.....	98.28	97.77	97.77	96.45
Nova Scotia Bond, 5 year	96.96				
H. R. Bain & Co., 10 year	96.92	96.57	96.57	96.03	96.03
Bk. of Commerce, J. C. MacKintosh & Co.	....	99.41	....	....	....
Drury & Co.	98.33	97.66	....	....	....
Gairdner & Co.	....	99.75	....	....	....

3 day option

Borden Dividend Reduced to $1.60 March 1, 1933

Borden Co., which owns some of the most important dairy companies in Canada, is reducing the dividend on its common stock from a rate equal to $2 per share per annum to one equal to $1.60 per share per annum with the current payment payable on March 1, 1933. The dividends are payable in United States funds and now amount to 40 cents per share quarterly.

Poor business in the late months of 1932, reduced milk prices, and failure of the usual summer pick-up in demand to come up to the expected levels, resulted in lower 1932 earnings. The company trenched on its cash to meet dividend disbursements to a considerable extent. Dividends paid in 1932 amounted to $2.50 while net earnings were only $1.70 a share. This entailed a call on surplus of $3,517,403.

Reports indicate rather difficult times for the milk business in the United States. Considerable economies have been effected by the Borden Co., but prices have been falling even quicker. Further trouble is expected until prices become stable.

JOINT RECEIVERS SELECT ADVISER FOR SCOTIA STEEL

Question of Nova Scotia Steel Acting as Independent

From Our Own Correspondent

MONTREAL.—Col. D. H. MacDougall, of Stellarton, has been selected by the joint receivers to serve in an advisory capacity to the joint receivers of Nova Scotia Steel and Coal Co., one of the major units going to make up the Dominion Steel and Coal Corp.

There has been a growing agitation in Nova Scotian circles to divorce operations of Nova Scotia Steel from those of the controlling company. The opinion has been expressed in several quarters that Nova Scotia Steel would be better off acting as an independent concern.

Matter Still Open

D. McGillivray, general manager of the Eastern Trust Co., and joint receiver for Nova Scotia Steel, was asked if the company would operate independently of Dominion Steel and Coal. His reply was that the question involved an important matter of policy yet to be decided and that no definite statement could be made in reply to the question.

Colonel MacDougall is known throughout the Dominion as a mining engineer and steel expert. For some years he was associated with the Dominion Iron and Steel Co., and at one time, was in charge of the company's Wabana iron mine on Bell Island, Nfld.

Later he joined the Dominion Coal Company and still later became general manager of the Nova Scotia Steel and Coal Company in succession to J. H. Crockard.

When the British Empire Steel Corporation was formed, Col. MacDougall became the general manager and continued in that capacity for some time.

In recent years he has followed his profession of consulting engineer, principally in Eastern Canada.

Catelli-Macaroni Profit Affected by Low Prices

From Our Own Correspondent

MONTREAL.—Net profit of Catelli-Macaroni Products Corp. in the fiscal year ended November 30, 1932, was $92,626 compared with $154,430 in the previous year. No dividends were paid during the year and after provision for depreciation and taxes to an amount of $90,111 deficit at profit and loss was reduced to $8,774 from $11,289 at the end of the preceding period.

Working capital was improved, current assets totalling $422,064 against current liabilities of $23,044 leaving net working capital at $399,020, up from $378,636. Cash was higher by $40,000 at $73,558, receivables down $18,000 at $125,970 and inventories were lower by $13,000 at $205,665.

Aime Geoffrion, president of the company, in his report to shareholders referred to the low prices of commodities which factor, combined with price-cutting in the industry, forced prices down about 50 per cent in the past two years.

Obituary

William Harvey, former managing director of Standard Trust Co., prominent in Winnipeg business circles, died on January 26.

REORGANIZATION PLAN FOR MOIRS LESSENS BURDEN

Propose Cut Debt in Half and Give Control to Bondholders

From Our Own Correspondent

MONTREAL.—Reduction of the funded debt by one-half of the principal amount; lowering the coupon rate from 6½ to 6 per cent; and compensation for the bondholders in the form of preferred stock in return for the granting of concessions, are the principal terms of the offer recommended by the bondholders protective committee for Moirs Ltd., Halifax, manufacturers of confectionery.

At present net outstanding debt amounts to $1,503,200 of 6½ per cent bonds, the annual interest requirements on which amount to $97,708. Under the reorganization plan the bondholders will be offered 50 per cent of new bonds bearing a coupon rate of 6 per cent. This will cut down the fixed charges to $45,096.

It is further proposed that the company be relieved of bond interest payments between July, 1932, and January 1, 1935.

What is Offered

In return for these concessions the bondholders will be given 6 per cent first cumulative redeemable preference stock to the extent of 65 per cent of their holdings. The latter stock does not become cumulative as to dividends until the beginning of 1935. In other words the holder of $100 face value of bonds will receive, if the plan is approved, $50 of new bonds and $65 of preferred stock, or a total face value of securities of $115.

It is provided in the reorganization plan that no dividends can be paid on the preferred stock until $500,000 of the bonds have been retired, or until the net funded debt has been brought down to approximately $251,600.

In the meantime the holders of the preferred stock have absolute voting control until all arrears have been paid up.

The sinking fund on the new bonds will not begin to function until February 1, 1938 when 20 per cent of the net profits will be used for that purpose. "Net profits" are defined as the balance of earnings after the payment of interest charges and depreciation.

The present notice of the reorganization plan has no particulars respecting the presently outstanding common stock.

Bondholders will meet in Halifax on February 28 to pass upon the reorganization plan submitted by the committee.

B. C. POWER CORP. MAKES ADVANCES IN GAS PRODUCTION

Opens Canada's Third Largest Plant and Gets New Franchises

Important additions to plant and arrangements for expansion of business have been made recently by British Columbia Power Corp. and its subsidiaries. The third largest gas plant in Canada has been opened by British Columbia Electric Railway Co. at the foot of Carrall St. and False Creek, Vancouver B.C. The new plant is of the intermittent vertical chamber oven type and is capable of producing 3,000,000 cubic feet of gas daily. It soon will be enlarged by 12 more ovens, bringing total capacity to 4,500,000 cubic feet of gas daily.

The dedication ceremony was performed by Mayor L. D. Taylor of Vancouver and many notables were present. The president, W. G. Murrin, sketched the history in Vancouver of gas expansion from an initial output of 60,000 cubic feet daily in 1886 to 6,500,000 cubic feet in 1928. With new additions made and proposed there will be a daily capacity of 11,000,000 cubic feet before the end of 1933. It is the intention of the company to push the use of gas for house heating.

To Use B. C. Coal

The plant is on a site of six acres in extent with 375 feet frontage on the wharf side. It will use 70,000 tons of British Columbia coal yearly, thereby bringing company consumption of British Columbia fuel up to 100,000 tons annually when the existing plant at Keefer Street is considered.

Each year 35 000 tons of a high quality coke will be produced.

Negotiations have been completed by British Columbia Power Corp. and the municipalities of Oak Bay, Saanich and Esquimalt, on Vancouver Island, whereby the company has been granted franchises to lay gas mains and carry on a general gas business within the municipalities.

Addition of these three municipalities will go a long way toward the greater utilization of the gas manufacturing plant at Victoria, which has a capacity beyond that required for present needs.

Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year End	Net Income 1932 $	Net Income 1931 $	Common earnings 1932 $	Common earnings 1931 $	Curr. divid. $	Balance car. fwd. 1932 $	Balance car. fwd. 1931 $	Mkt.	Mkt. times earn.	Yield %
Waterloo Trust & Savings	Dec. 31	90,666	100,062	9.07	10.00	6	12,251	11,585	...	...	...
East Lambton Farmers' Loan	Dec. 31	21,030	18,811	8.02	7.17	6	142	117	...	...	...
Hinde & Dauch	Dec. 31	*57,271	*298,466	...	...	...	888,196	945,357	2	...	...
Page-Hersey Tubes	Dec. 31	342,651	1,013,739	1.95	5.81	3	723,171	1,057,826	45	23	6.6
Chartered Trust	Dec. 31	57,543	73,090	5.75	7.81	4	2,106	2,251	...	...	...
Sarnia Bridge Co.	Dec. 31	*56,033	*12,389	...	...	...	†51,121	4,095	...	...	...
Shawinigan	Dec. 31	2,534,472	4,150,438	1.16	1.91	50c.	‡888,098	‡576,456	10¼	8.8	4.8

*Loss. †Deficit. ‡Subject to income tax.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Halifax, N.S.	Feb. 2	Dominion Securities, Bank of Nova Scotia	5%	5-yr. serial	9,600	100.50	4.87%
			5%	10-yr. serial	31,610		
			5%	10-yr.	184,000	99.35	5.065%
			5%	20-yr.	141,000		

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Stock Issues—	Date Issued	Offered By	Rate	Amount	Price Offered	Yield
Kenty Gold Mines	Feb. 7	Doherty, Roadhouse & Co.	....	100,000 shs.	$1.00	.....

TRUSTS AND GUAR. LIQUID RATIO HIGH; EARNINGS DOWN

Earned $4.40 Per Share—Total Assets Show Increase

Trusts & Guarantee Co. had net earnings of $100,377 in 1932 compared with $151,542 in 1931 and after deduction of taxes earned $4.40 per share in 1932 as against $6.57 in 1931. Assets of the company increased during the year to $43,110,842 from $42,778,768 due to gains in estates, trusts and agency account and capital account. In guaranteed trust account there is shown liabilities on deposits and trust funds for investment of $7,068,633, down from the $7,489,546 reported in 1931. Holdings of liquid securities are 127.9 per cent of savings deposit liabilities.

Reduced volume of business due to general business conditions is shown by practically every department of the company and is responsible for the decrease in earnings.

Assets in estates, trusts and agencies account have increased to $33,830,470 from $33,092,451 in 1932 and compares with $19,931,585 shown at the end of 1922.

Mortgages and Bonds Down

Assets in guaranteed trust account include mortgages and interest at $4,815,499 as against $4,948,020 in 1931. Dominion and provincial bonds are down to $896,898 from $1,131,001, while municipal and school district bonds and debentures are down $14,508 to $684,778. Other bonds show a slight gain at $428,882; cash is up $4,796 to $110,508 and loans on bonds were reduced to $89,894 from $185,591.

Among assets in capital account, premises remain unchanged at $306,161 and real estate held for sale is but slightly higher at $263,712. Mortgages and interest due are down by $41,922 to $78,205. Loans on stocks and bonds are higher at $59,882; bonds and debentures are carried at $720,821 and stocks at $332,926. Cash is shown at $97,626 and other assets of $320,742 show an increase of $35,339. In the income and surplus account provision of $63,388 was made for ascertained and anticipated losses and after this deduction and payment of $79,115 in dividends surplus of $102,987 was carried forward into 1933 as compared with surplus of $158,404 at the end of 1931.

Earnings Record

Year	Paid-up Capital $	Net *Profits $	Div. Rate $	Rate Earned Per Sh. $
1928	1,957,534	165,710	6	8.47
1929	1,974,228	165,883	6	8.40
1930	1,976,770	153,205	6	7.75
1931	1,977,587	129,883	6	6.57
1932	1,977,887	86,997	4	4.40

*After deducting cost of management, advertising, general expenses, salaries, directors' and auditors' fees and taxes.

FOREIGN POWER LOSES GROUND DURING 1931-32

Annual Statement Reflects Lower Revenues and Weaker Market

From Our Own Correspondent

MONTREAL. — Foreign Power Securities Ltd., a holding company principally for French public utility securities and controlled by Power Corp. of Canada, in its report for the year ended October 31, 1932, shows a depreciation in the value of securities held of $1,905,695; reduction of $134,500 in outstanding bonds and insufficient earnings to cover bond interest.

In his report A. J. Nesbitt, president, pointed out that consumption of energy in France last year fell off by 10 per cent and that revenues from securities held by the company had been curtailed owing to the deferment of dividend payments by the operating companies which had adopted the policy of conserving cash resources.

Smaller Deficit Shown

Gross income in 1932 totalled $343,360 compared to $509,615 in the previous year. After deducting expenses and net loss on sale of securities, there remained a balance of $279,449 to cover bond interest. In the preceding year even less was available for interest, after deducting net loss on sale of investments, as shown in the following comparative income accounts:

	1932	1931
Gross Income	$343,360	$ 509,615
Less:		
Loss on Invest. Sold	30,389	405,873
Bond Interest	310,714	293,914
Expenses	33,522	42,877
Net Profits	†31,265	†233,049
Less:		
Income Tax	14,696	26,000
Pfd. dvd.	150,000	300,000
Acc. Int. Unpaid	3,988	......
Balance	†199,949	†559,049
Add:		
Prev. Balance	1,108,575	507,644
Trans. Com. Stock	......	1,160,000
	908,626	1,108,595

† Deficit.

Can. Public Service Net Income Higher

Consolidated net income of Canadian Public Service Co. for December is reported at $12,142, after payment of interest, which compares with $7,191 shown for December, 1931. Net income in the six months ended December 31, 1932, was $72,746 as compared with net income of $47,169 in the same period of 1931.

Gross revenue in the last half of 1932 was $214,467 and in 1931 $193,744. Operating expenses, maintenance and taxes at $79,918 showed increase of only $1,803. Non-operating income increased to $5,580 from $241 and non-operating expenses were down to $1,064 from $1,578. Interest charges and debt expense amortized to $66,319 in the six months period.

Union Gas Co. Profits Increase for 9 Months

Union Gas Co. and its subsidiaries serving the Border Cities area and Sarnia, Chatham and London, in the nine months ended December 31, had a net profit in excess of $190,000, after interest and all other charges except provision for income tax, according to a statement from company sources. This is about $150,000 ahead of net profit for the corresponding period of 1931. Industrial sales accounted for part of the improvement.

United Fuel Investments, the subsidiary controlling Hamilton By-Product Coke Ovens and United Gas & Fuel Co., improved its working capital position in the same period. Gas sales show some reduction from 1931 because of lower activity in industry.

E. LAMBTON LOAN MAINTAINS PROFIT

Writes Off Losses on Securities; Deposits Are Lower

Interest earned by East Lambton Farmers' Loan & Savings Co. in 1932 was well maintained at $50,333 in comparison with $52,584 earned in 1931 and after providing for management costs, taxes, insurance, rents and interest payable net profit of $21,148 is reported as compared with $21,838 in 1931. The company earned 8 per cent on paid up capital of $262,600 in 1932 and 7.1 per cent in 1931 when income and corporation tax reserve of $3,000 was set up.

Some reduction in liabilities to the public is shown with debentures down to $272,473 from $294,161 and deposits down to $142,799 from $154,874. Investment reserves are down to $7,000 from $8,400 while reserve for taxes remains at $3,000. Shareholders' reserve fund is down to $69,113 from $113,000 after provision of $43,887 for depreciation and loss on securities. Profit and loss balance is $142.

With total assets of $765,113, $415,587 is in mortgages while real estate is up to $31,646 from $18,822. Holdings of government bonds is down to $22,679 from $52,105; municipal bonds are down to $37,745 from $40,292 and all other bonds are down to $247,480 from $304,532. Stock loans are shown at $5,025; cash at $1,196 and cash at bank $2,770. Earnings since 1928 have been as follows:

EARNINGS RECORD

Year	Paid-up Capital $	Net Profits $	Div. Rate %	Rate Earned %
1928	261,580	27,093	6+1	10.5
1929	262,600	*20,295	6+1	7.7
1930	262,600	*20,381	6+1	7.7
1931	262,600	*18,815	6	7.1
1932	262,600	21,030	6	8.0

*After deducting income and corporation tax reserve, for 1932, $3,000; 1931, $2,100; 1930, $1,900.

Hield Bros. Enlarge Plant

Hield Brothers, of Kingston, have now installed the 20 wearing looms which were recently imported from England, and their staff and production has been increased accordingly.

CAPITAL TRUST ASSETS HIGHER; EARNINGS DOWN

Liquid Ratio Increased to 77 p.c.; Surplus is Reduced

Capital Trust Co., Ottawa, had net profit of $47,076 in 1932, which compares with $69,254 in 1931. Profit in 1932 was 5.37 per cent of average paid-up capital as against 8.5 per cent earned in 1931. Dividend was paid at the rate of 5 per cent in March, 1932, and a dividend of 4 per cent has been declared payable Mar 1, 1933. The report shows quick liquid assets at 77.05 per cent of savings deposits which compares with 63 per cent in 1931. Guaranteed trust certificates outstanding are up to $3,666,201, including interest, from $3,463,608 in 1931; savings deposits are down to $1,844,029 from $2,061,007, while estates, trusts and agencies account is up to $10,616,503 from $9,527,229.

Changes Reserves

Assets in capital account are shown at $1,109,797. The company has a paid-in capital of $879,242 consisting of 8,622 fully paid shares and 400 shares on which there has been paid $17,042. General reserve has been reduced to $68,000 from $135,000, but contingent reserve available for depreciation of real estate and other assets has been increased to $90,284 from $20,000 and total of reserves has increased to $181,095 from $176,200, including reserve for taxes and reserve for trustees fees paid in advance. Profit and loss account has been reduced to $45,898 from $56,150, largely due to deduction of $9,903 for taxes and other charges applicable on prior years. Earnings of the company for the past five years have been as follows:

Earnings Record

Year	Paid-up Capital	Net Profits*	Div. Rate	Rate Earn.†
1928	668,706	51,884	5	7.7
1929	703,056	54,838	5	7.8
1930	731,182	57,585	5	8.0
1931	871,835	69,253	5	8.5
1932	879,241	47,076	5	5.3

†On average capital.
*After deducting management expenses and taxes, but before deducting amount for accrued taxes and amount written off equipment, etc.

Dominion Stores Sales Were Lower in January

Sales of Dominion Stores Ltd. in the four weeks of the January operating period are reported at $1,398,267 as compared with $1,749,931 in the corresponding period of 1931. This is a decrease of $351,664 or 20.1 per cent. The decline is partially accounted for by a reduction of 39 in the number of stores operated. At December 31, 1931, the company had 572 stores in operation so that the net reduction in number of stores during 1932 was 6.8 per cent. Further declines in commodity prices and reduced purchases by customers affected by general business conditions are also factors in the reduced volume of sales.

Sales in 1932 were $23,041,552, 10.13 per cent less than sales of $25,638,125 in 1931. The largest decrease in sales during 1932 was in the September period when sales were 16.14 per cent under sales in the corresponding period of 1931.

City of Quebec Seeks Control of Electricity

From Our Own Correspondent

MONTREAL.—Authority to municipalize electricity for domestic and commercial purposes is again sought by the City of Quebec which has submitted a bill to the provincial legislature. It will be recalled that similar efforts were made by the city last fall but these met with strenuous opposition from the Quebec Power Co. and a majority of members in the house.

ON GUARD

National Trust Company

Limited

Balance Sheet, 31st December, 1932

ASSETS

CAPITAL ACCOUNT:			
Office Premises and Safe Deposit Vaults at Toronto, Montreal, Hamilton, Winnipeg, Saskatoon and Edmonton		$1,099,114.30	
Real Estate held for sale under mortgage foreclosure		720,111.50	
Rents due and accrued		4,308.34	
Mortgages (including Agreements for Sale):			
Principal	$2,822,332.84		
Interest due and accrued	131,953.07		
		$2,954,285.91	
Loans on Bonds and Stocks		107,540.87	
Securities:			
Dominion of Canada and Provinces of Canada	$ 75,443.50		
Canadian Municipalities	133,479.17		
Other Bonds and Debentures	142,405.00		
Interest accrued	5,825.54		
		$357,153.21	
Stocks		574,971.50	
Advances to Estates, Trusts and Agencies		164,682.61	
Cash in Banks		424,981.21	
Cash on Hand		10,635.44	
			$6,417,784.89
GUARANTEED TRUST ACCOUNT:			
Mortgages:			
Principal	$11,953,450.48		
Interest due and accrued	576,301.28		
		$12,529,751.76	
Loans on Bonds and Stocks		78,136.53	
Securities:			
Dominion of Canada and Provinces of Canada	$4,507,434.26		
Canadian Municipalities and School District Debentures	1,813,030.06		
Other Bonds and Debentures	635,930.00		
Interest accrued	87,722.26		
		$7,044,116.58	
Stocks		114,860.00	
Cash in Banks		1,881,068.02	
Cash on Hand		43,066.77	
			$21,690,999.66
ESTATES, TRUSTS AND AGENCY ACCOUNT:			
Funds and Investments		$238,935,496.23	
			$238,935,496.23
			$267,044,280.78

LIABILITIES

CAPITAL ACCOUNT:			
Capital Stock, subscribed and fully paid	$3,000,000.00		
Reserve Fund	3,000,000.00		
		$6,000,000.00	
Dividend No. 132 payable Jan. 3, 1933		90,000.00	
Mortgages in Process of Completion		777.07	
Reserve for Dominion Income Tax		40,312.66	
Profit and Loss		286,695.16	
			$6,417,784.89
GUARANTEED TRUST ACCOUNT:			
Trust Funds for Investment		$6,454,664.94	
Trust Deposits		15,236,334.72	
			$21,690,999.66
ESTATES, TRUSTS AND AGENCY ACCOUNT:			
Estates, Trusts and Agencies		$238,770,813.62	
Due to Company for Advances to Estates, Trusts and Agencies		164,682.61	
			$238,935,496.23
			$267,044,280.78

PROFIT AND LOSS ACCOUNT

For Year Ending 31st December, 1932

Balance 31st December, 1931	$279,857.05
Net Profits for the year after deducting cost of Management, Directors' and Auditors' Fees, Contingencies, etc.	466,791.88
	$746,648.93
APPROPRIATED AS FOLLOWS:	
Quarterly Dividends: Nos. 129 to 132, inclusive, at an average rate for the year of 12½%	$375,000.00
To provide for Dominion, Provincial and Municipal Taxes other than taxes on Real Estate	84,953.77
Balance Carried Forward	286,695.16
	$746,648.93

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A copy of the Proceedings at the Annual Meeting of Shareholders will be mailed on request.

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TORONTO, FEBRUARY 11, 1933

$400,000 A DAY IS DEFICIT

THE Citizens Research Institute of Canada has completed its study of the income and expenditures of the Dominion government for the year to March 31, 1932.

They estimate that Canada had a deficit in that year of $154,000,000 compared with $88,000,000 in the previous year. In other words, Dominion operations resulted in an average deficit of almost $3,000,000 per week, $400,000 per day, or nearly $300 every minute.

The increased deficit was due to the fact that revenues declined by nearly $20,000,000 and expenditure increased by $24,000,000.

During the current year the deficit will undoubtedly be higher as revenues have again declined and expenditures have not decreased in proportion.

During the year 1931-32, the country bore deficits from the Canadian National Railways and the Government Merchants Marine of $91,000,000; it paid out $10,000,000 in old age pensions; it paid out $38,000,000 in unemployment and farm relief; it paid out $11,000,000 in bonus on wheat.

Canada's serious budget position is not due primarily to depression but to the reckless manner in which new ways of spending money have been introduced by governments and approved by Parliament.

With the government spending $3,000,000 a week more than it is taking in it is foolish to talk about inflation. This is inflation of the most desperate and dangerous kind.

UNSTABLE CURRENCY

INSTABILITY of currencies throughout the world is one of the chief deterrents to international trade and commerce at present. Its chief rival is the craze in recent years for more and higher tariffs. The combination of these two factors has done much to make the conduct of foreign trade through accustomed channels as difficult as possible.

Paradoxically, those who are foremost in the ranks of advocates of artificial depreciation of the Canadian dollar are those who are interested in foreign trade. Exporters are the chief proponents of this policy.

Even if it were possible to control the Canadian dollar in this manner indefinitely, which it is not, it should surely be clear to such exporters and foreign traders that a policy of dollar depreciation would be merely another barrier to trade in the long run. The latest action of New Zealand in meddling with its currency has merely aggravated the already disturbed currency situation. South Africa has been forced into contributing to exchange uncertainty by its recent abandonment of the gold standard.

Currency disturbances merely add another risk element to the hazards of trade. A recent example of this is seen in a loss provision of £247,000 made by an English steel firm on a contract made in Australia in 1924 and payable in Australian currency. Day to day purchases and sales of goods and securities abroad provides many similar examples of this risk.

What is needed to help foreign trade is mutual stabilization of currencies through international co-operation. Were Canada to attempt manipulation of currency it would only aggravate destruction of confidence, alarm capital and encourage sterilization of funds, which have been among the most unfavorable factors in the present depression.

TARIFF MAKING BY OFFICIALDOM

DISCONTENT with the administration of the tariff is seething in places in Canada other than western farm houses and Nova Scotia fishing villages. Right in the heart of the larger industrial areas there are manufacturers, converters, merchants and others who have reached the end of their patience with the dictatorial and bureaucratic tariff methods of Ottawa officialdom.

The theory of tariff making is that Parliament sets the tariff and the departmental officials administer it according to the letter and the spirit. Actually Parliament fixes the tariff, the cabinet modifies as it wishes by order-in-council and the departmental officials further modify it — sometimes almost out of recognition — by their general and specific rulings.

Canadian producers are entitled to reasonable protection but for the few business firms that benefit from arbitrary tariffs fixed by officials to bar out individual shipments — for that is the effect of many of the rulings — there are many more whose business is being seriously hampered with losses to investors and workers.

Perhaps the new tariff board will help to relieve the public of this tariff dictatorship by officialdom. The board has been a long time coming.

STEPS TO RECOVERY

OGDEN L. MILLS, United States secretary of the treasury, urges as a programme for recovery:

"First, a balanced budget; second, an easy money policy consistently pursued by the principal central banks; third, a definite attack on the debt problem, not by wholesale treatment but by setting up adequate machinery to deal with different categories of debts; fourth, a settlement of the foreign debt question; fifth, a stabilization of world exchanges by a return in the first instance to the gold standard by the more important commercial and industrial countries; sixth, the lifting of arbitrary trade barriers.

This is partially a programme for the United States and partially a programme for the world.

For Canada, there can be drawn up a programme to aid recovery that would be this country's most useful contribution to its own and the world's prosperity.

It is as follows:

1. Balance the federal budget.
2. Balance all provincial budgets.
3. Reduce local taxation.

All else is secondary and most of the other aids to recovery would follow naturally.

AGREE ON ONE THING

THE EVENING TELEGRAM, Toronto, quotes its hated rival, The Toronto Daily Star, as follows:

"The time has come to abandon the old method of striking the tax rate at whatever figure the estimates, after revision, require. The process must now be reversed: A reasonable tax rate determined as a first step, and the estimates made to conform to that rate."

The Telegram then says:

"It is not always that The Telegram can agree with our evening contemporary's municipal policy but the advice tendered on the striking of the tax rate is right in line with what we have contended for the past year and is so good that every alderman should cut it out and paste it in his hat. Then when he is tempted to talk through his hat he may see it and come down to earth again.

"It is time the governmental heads, civic, provincial and federal, regulated their spending according to the amount of capital available."

It is not very often that The Financial Post agrees with both The Telegram and The Star but, given an opportunity to do so, we hasten to accept it.

Canada has passed its reasonable tax limit. Most of the provinces have. Among the cities, Toronto most assuredly has.

Last week Toronto lost a substantial industry which said it left because taxes were too high. Yet the city council's answer was to pass a resolution for a surtax on incomes!

INTELLIGENT SELLING OF LIFE INSURANCE

ON THE sales force of every life insurance company throughout the country there have always been many men who can only be termed "transients," men who have turned to the selling of life insurance when their usual means of livelihood has been cut off for some reason or other, and who are only in the business until some other opportunity comes their way. No matter how hard the companies try to keep these men out of their staffs, a sprinkling always seem to creep in; some under the impression that they will make insurance selling their life work and others knowing well, whatever they may profess, that they will move out just as soon as they possibly can.

In the selling of life insurance the agent has a real service to perform to his client, who, in the majority of cases, knows practically nothing of the type of policy which will best meet his or her needs. In order to be able to properly perform this service the agent must necessarily have a thorough knowledge, not only of the types of policy which his company has to offer but the uses to which they should be put.

Many of the companies engaged in the business in Canada require that, before their agents attempt to sell any insurance, they go through a course of training but this course must necessarily be short as the men taking it are not earning anything while so doing.

It is here that the Canadian Life Underwriters' Association is performing a real service to the Canadian public. Through lectures and courses of study it educates its members in the ethics and practice of life insurance and has made the degree of C. L. U. (chartered life underwriter) something which every person in the business ought to have; and something that the buying public can look for, with confidence that the man or woman who is entitled to place these letters after his or her name is qualified to advise intelligently on the purchase of protection.

THE PROVINCE OWES THE MONEY

THE Hydro-Electric Power Commission of Ontario has just sold $6,000,000 of bonds, guaranteed by the Province of Ontario. It is stated that the bonds are being issued to refund existing obligations in which case it may be that no addition to the debt of the commission is involved.

The issue calls attention to an important anomaly in the financing of Ontario's Hydro ventures. The public accounts indicate that the province had bonds outstanding of $452,000,000 of which $188,000,000 has been invested in the Hydro system. But in addition to these the Hydro had outstanding some $65,000,000 of its own bonds, guaranteed by the province. These bonds of the Hydro do not appear in the provincial balance sheet as an obligation but are shown merely as a contingent liability.

Similarly the provincial statement shows $30,000,000 of debt incurred on behalf of the T. and N. O. railway in addition to $6,000,000 T. and N. O. railway bonds guaranteed.

From time to time various considerations of convenience or expediency may determine the issuance of provincial bonds to finance such undertakings or the issuance of guaranteed bonds only. But the province should finance its business undertakings in such a way that their debts are either entirely included in the provincial debt or entirely excluded.

The present system of including some of the items and leaving others out is confusing and leaves the province open to the charge of juggling its debt figures.

Ontario's new budget committee has a subject for study here.

LITTLE LOGIC IN UNION WITH NEWFOUNDLAND

ALREADY a number of newspapers are expressing the opinion that union of Newfoundland Canada would be A Good Thing. Probably each of those newspapers would express the opinion that union of Canada and the United States is unthinkable. Yet from the viewpoint of economics the union of the two chief countries on the mainland of North America would be more logical and workable than union of Canada and Newfoundland. In the factors of race, religion, tongue, political machinery, the balance is about even. The economic factor is the one that outweighs all others and from an economic standpoint the union of Newfoundland and Canada is to be deplored.

It has proven so difficult to negotiate a trade treaty between Canada and its nearest British neighbor that no trade treaty is even in existence at the present time. The lack of a treaty is due primarily to the fact that the two Dominions have little to exchange; their production is complementary to only a small degree. To what degree then can the production of the two countries be made more effective by a union? Newfoundland's fishermen would still have to seek the same foreign markets they now have. Her pulp and paper mills would still ship to the same countries. Her mines, which compete with Canada's, would not find a market in this country other than the iron ore market they already have.

All Newfoundland has to gain is to have the debts and governmental costs of the two countries averaged up among the total population of two countries. This would undoubtedly lighten the average burden upon Newfoundland. In exchange for this, she would see her largest potential asset, Labrador, become part of the economic mainland where its development would bring but little profit to the residents of the island in the generations to come.

Canada has nothing immediate to gain from Newfoundland confederation other than a new Maritime provinces problem intensified ten-fold.

We had better make more of a success of our present job of nation-building and find a better formula for reconciling the conflicting ambitions of Ontario manufacturers, western grain growers and Maritime coal mines, not to mention scores of other classes in the national community, before we tackle another exceedingly difficult political task.

The project for Newfoundland Confederation might well be given a hoist of another generation. Newfoundlanders are not crawling on their knees to Canada begging for entrance into Confederation. They have the pride and spirit to settle their own economic problems.

NEW PATRIOTISM

THE somewhat original public spending economies of John Maynard Keynes were outlined to a Toronto audience this week by one of Prof. Keynes' Cambridge associates. He urged governments to spend. In a time like this it is unpatriotic to balance the budget, he said.

If national extravagance is a civic virtue, it may be that we are all too hard on Sir Henry Thornton. Perhaps he was the greatest patriot of all.

But then Keynes may be wrong. He would not be the first economist who was.

EDITORIAL NOTES

If the Ontario legislature is so foolish as to adopt Toronto Board of Control's suggestion for a municipal surtax on incomes, Quebec is sure of an industrial boom. Capital will stay away from Ontario cities.

* * *

In the numerous columns of protest that the Toronto Star has run on Mr. Bennett's stand against the Russian deal, one phase has been assiduously soft-pedalled—the fact that the public was asked to assume grave financial risks while if the deal were successful a huge profit would go to a private syndicate.

* * *

It provided a momentary shock to read in the Mail and Empire, Toronto, unofficial organ of Mr. Bennett, a headline reading "Calgary Gives Dominion a Fine Lead." But it was a false alarm. The editorial referred to the defeat of the C. C. F. candidate in the provincial by-election and not to Calgary's action in discounting its bond payments to American investors.

POST-scripts

NEGOTIATIONS for the possible sale of the Canadian National Steamships Prince David and Prince Henry bring to mind the time, three years ago, when the trio of Prince ships were built. Great was the pride in their launching and proudly they bore their names: Henry for Sir Henry Thornton; David for David E. Galloway; and Robert for Robert T. Teakle, at that time president, vice-president and general manager of Canadian National Steamships. Time alone will tell whether the fleet in the future will boast a Prince Edward.

AMONG the many mythological tales that have come down to us through the ages, those relating to Achilles and his famous heel rank with the best. Who will forget how Achilles' mother dipped her infant son in the waters of the river Styx in order to make him invulnerable in war-time, but forgot the heel she was holding in her hand? The manner in which this pleasant myth is received varies widely. The palm can be awarded, however, to the Montreal school boy who, when asked to make a brief comment upon the hero, said: "Achilles was the boy whose mother dipped him into the Stinks until he was intolerable."

CUT prices in restaurants indicate the extent of competition prevailing in that form of business. One eating place is advertising that it sells left ham sandwiches only; virtues of this product are given in detail to customers. Quality of left ham sandwiches is explained by the fact that a pig scratches itself with its right foot only; any treatment of the left side is always obtained from the nearest fence post. As a result the right ham, being more active, is likely to get tough, while the left remains to grow fat and tender in its idleness. Thus, so the explanation goes, sandwiches made from the left ham are more succulent and, so great is competition, this particular restaurant sells them for no extra charge.

A STRANGE analogy between technocracy today and occurrences in China years ago is revealed in excerpts from the writings of Ming Chow, a historian of the period 4,000 B.C. Displacement of labor by man-made inventions evidently presented a problem in those distant days:

"About that time the usage of a sail in ships was discovered and its marvels created much discussion. For up to that time ships had been propelled by men who toiled at the oars, but genius had relieved them of their labor and given it to the west wind. And there was one Li Pung who was loud in his protests against the new sail. And he went about the countryside crying 'What now shall the poor oarsmen do that they may live? With this new thing in ships these men will have no work to do; even now they sit idle on the shore while the west wind takes their place on the rowers benches!' And he said much more, lamenting loudly, and gained many followers who said that soon there would be no work for men to do and all would starve.

"But the emperor, hearing of these things, summoned Li Pung before him and said, 'Listen to me, Li Pung. You say that the wonder of the thing called a sail has taken food and drink from the mouths of those who rowed in ships. You have made a great outcry: therefore do I command you to right this wrong. Go you forth and cause the west wind to cease from blowing and thus you will restore the rowers to their benches. But mark you this: If you are not successful, my wrath will fall on your head and you will be punished.'

"And when Li Pung had departed the emperor went down to the waterside and ordered the people to build many new ships and to place the new sail in them and these he sent to all parts of the world bringing and carrying goods. Those who formerly had pulled at the oars he kept busy loading and unloading the great cargoes and they soon forgot the loss of their old trade. But as the west wind continued to blow bringing work and riches to his people, the emperor said to his executioner, 'Keep thine axe sharp. It may be that I will have some work for you to do also'."

PIECES of eight, doubloons and other treasures of the Spanish main (usually buried) have been the lure offered in many swindles. Less reminiscent of buccaneering days, is the Spanish prisoner game which appears to have come to life again in Canada. A recent attempt has been made to inveigle a shrewd Canadian business man into advancing funds for the release of an alleged inmate of a Mexican prison.

Take heed. Other readers of The Financial Post may be on the same mailing list. From the transparent nature of the scheme, there is, however, little possibility that Canadians will be drawn into the toils.

A letter from Mexico City informs this business man that the writer is in prison there, under sentence for failure. The "prisoner" says he has a trunk in a customs house in North America, which contains $185,000 in bills (presumably not the kind that come around at the first of the month). All that is necessary to get this trunk is that the recipient of the letter go to Mexico, pay the legal costs of lifting the sentence on the "prisoner" and so release his goods from seizure. Divers instructions and explanations as to carrying on negotiations with the "prisoner" are included in the letter. The spelling is weird.

By releasing his effects, the "prisoner" says, a trunk, which is among his possessions, and which contains the baggages check for the first trunk, will become available. Then the money can be obtained by means of the check. In return for the advance made by the victim to pay for court costs, the "prisoner" offers to hand over one-third of the $185,000 (if, as and when). Any gullible person who might be taken in by this offer would, no doubt, find that both his advance and the promised reward were buried treasure; buried beyond recovery.

Readers of The Financial Post will perhaps wonder how the "prisoner" happened to fail with all that ready cash available at only slight inconvenience. We wonder too.

Philippines Independence Shows Way U.S. Straw Blows

Farm Vote Still Dominant Influence in Congress—Nation That Sought Protection Against Dependency Will Offer Nothing to Canada

By M. M. WILNER

WASHINGTON.—Canadians whose memories of first-page news go back to the beginning of the century will recognize a significance which many others miss in the act of the United States Congress granting independence to the Philippine Islands, despite the veto of President Hoover.

At the time the islands were acquired from Spain, the most determined objection to the annexation was based on the contention that their competition under the free trade established within the United States by the Constitution would be injurious to home products. This argument had such weight with the McKinley administration that prompt steps were taken to establish legally the contention that the Philippines would not come under the jurisdiction of the United States Constitution and that protective duties could be imposed against their products the same as against foreign nations. The question of retaining the islands was held to depend on the decision of the Supreme Court regarding their right to free trade.

Free Trade Unpopular

By a closely divided bench the court held in 1901 that tariffs might be imposed against Philippine imports and for eight years such duties were collected. The anomaly of protecting against a dependency, however, reinforced the growing influences for abolition of duties as the investment of home capital in the islands increased, and in 1909 the Philippines were granted free trade regardless of the right to maintain duties against them.

The result has been a return to the original feeling that if possession meant free competition the United States did not want its dependency in the Western Pacific. This time, moreover, that opinion has not sprung from foresight but from experience. The farming interests of the west and south have found that Philippine sugar, tobacco and other products were cutting seriously into domestic prices. The Philippines independence bill did not represent any romantic idealism. It was a grim expression of the self-interest which demands high advantages in home markets.

Bow to Farm Vote

The fact that a Congress, which cannot bring itself to vote sufficient taxes to balance the budget, and threatens to fail even in its original enthusiasm for repealing prohibition, still could over-ride a presidential veto and sacrifice a great imperial domain to meet the demands of farmers for home market protection is the point which shows shrewd observers what must be expected in future.

These same agricultural interests of the west and south, for the same reason that they are forcing independence on the Philippines, are demanding the domestic allotment plan for the payment to themselves of bounties, derived from a special tax on the rest of the population. That act, if adopted, not only will require that the present high duties on agricultural imports be maintained, but probably will develop a need for increasing them. It never would do to let millers escape payment of the bounty tax by buying wheat in Canada and importing it free.

Depreciated Currency

While this insistence on protection is exhibiting such pronounced manifestations, even from political elements which nominally voted for tariff revision downward, a new cry of alarm is being raised by the manufacturing and labor interests on account of the disastrous increase of cheap imports from countries having depreciated currency. In many instances the customs-house figures show that heavy increases in imports have returned to the sellers considerably less money than a much smaller quantity of goods paid them in a corresponding period of the previous year. Factory owners are giving this as a reason for closing their plants and increasing unemployment. Such standard articles as structural steel and some grades of woollen cloth show this singular decline of reciprocal buying power by the sellers at the same time that they are increasing heavily their sales in the United States. The "Buy-American" campaign, which is making popular headway, is principally a protest against the products of depreciated currency.

Explanations of causes and proposals of remedies may vary widely, but progress toward solution can be made only by frankly recognizing the features of a situation which are most in evidence in shaping the public opinion which Congressmen hear.

In the Mail

Collecting Taxes

Editor, The Financial Post,

Due to the fact that our country is going behind, we believe it would be a good idea to organize a campaign to collect income taxes. Have the banks keep a record of all coupons deposited with the depositor's name, thus doing away with so much dishonesty, and put the country in better condition financially.

A. & C. BOEHMER, LTD.
Kitchener, Ont.
Feb. 2, 1933.

A Railway Plan

Editor, The Financial Post,

The railroads of Canada are in a desperate situation. They are losing money every day and no one seems to have a remedy.

Here is an idea I have not heard before:

Give the railroads a monopoly of commercial transportation under certain restrictions. Let them do away with level crossings, fit the right of way for motor traffic as well as rail cars and carry passengers and freight at the same rates as the transport companies are doing.

W. CONNOR.
Windsor, Ont., Jan. 30, 1933.

Income Tax

Editor, The Financial Post,

Canadians who receive interest on Canadian bonds or dividends on Canadian shares pay federal income tax on these sums, but foreigners do not. Is it not time that all interest and dividend payments were taxed at the source (as they are in England)? A very substantial revenue would result to the national treasury, depending, of course, on the rate fixed. A further advantage would be the prevention of widely suspected fraud by Canadians in avoiding income tax. In discussions on this question I have heard no valid argument against the immediate application of this system.

C. A. ASHLEY.
Toronto,
Feb. 3, 1933.

Disparity in Wages

Editor, The Financial Post,

I am about to resume packing tobacco for the farmers, but cannot get any money from the banks for labor, because, they say, the security is not liquid enough. I admit it takes a year to properly cure cigar tobaccos.

It is pitiful to see the number of men calling on me, looking for jobs, confessing they have not worked for months, for a year, for two years, and offering to work for me for one dollar a day.

I have again read Mr. Beatty's address to the Canadian Club at Toronto, as published by you on the 21st inst. I note that the heads of various railway unions are meeting with a view to enforce restoration of munition workers wages. Already thousands of railway workers have lost their jobs. Many are loafing for months hoping to be re-instated. A conductor recently fell ill, was replaced by one who had not worked for three months. The wife complacently remarked that the pay envelope for the one week was more than her husband would have obtained had he worked a whole month in a factory.

Why should the railway employee get four times the wages of the factory employee, and ten times the wages of the farmer?

Abolition of the unions, supply and demand to govern wages, lowering of rates to shippers, would relieve the hardworking, thrifty taxpayer of some of his burdens, would soon bring about prosperity for all.

J. BRUCE PAYNE.
Granby, P.Q.
Jan. 23, 1933.

Other People's Views

An Immortal Line

Detroit Saturday Night: Coolidge wrote one immortal line when he said he never could understand why Borah liked to ride a horse when he had to go the same way as the horse.

Trotsky's Troubles

The Evening Telegram, Toronto: The world can have little sympathy for Trotsky and his complaints. Ruthless while in power, he runs true to type when he whines about his unhappy lot when the wheel of fate turns against him.

"Stop Me If You Have Heard This One"

Years ago, when a young lawyer, M. H. Aylesworth, now president of the National Broadcasting Co., defended a western farmer against some bankers who held an overdue mortgage against Aylesworth's client, on which they were trying to foreclose. The farmer lost, and when informed he would have to give up his farm, burst into tears.

"Don't cry, please," one of the bankers said sympathetically, patting the farmer's shoulder. "Everything will come out all right."

"I'm not crying for myself," the farmer sobbed. "I'm crying when I think of you bankers going into the farming business."

For the Business Man

The man who is meeting the demands of today in his business affairs has little time for the management of his investments, even though they may require more care than ever before.

The experience of over 40 years in the investment field is available to our clients. Recommendations for investment of spare funds or for changes in your present holdings will be made on request.

This service is available at any of our branches

A. E. AMES & CO.
LIMITED
Business Established 1889
TORONTO
Montreal Vancouver Victoria New York London, Eng.

We Offer:

Province of New Brunswick
4½% bonds due April 15, 1961
Price: 96 yielding 4.76%

These bonds are payable in Canada and New York

Wire or telephone enquiries at our expense—Elgin 0161

McLEOD, YOUNG, WEIR & CO.
LIMITED
Metropolitan Building, Toronto
Montreal Ottawa London Hamilton

AN ALL-CANADIAN INSTITUTION

1866 1933

"We would respectfully ask your support for the enterprise in which we have embarked; as one that proposes good to the country, as well in the advancement of Art as in the encouragement of Home Industry. Long and intimate practical experience as Artists and Owners in similar Companies establishes our competency, and the patronage of the Government of Canada in the execution of Provincial Notes, Stamps, Bonds, etc., endorses our responsibility."

—Extract from circular letter issued by this Company, January 1, 1870.

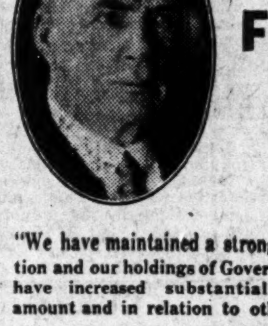
The Ideals of 1870—Today

STRICT adherence to the early ideals and policies of this Company has made possible the continued fulfillment of the original well-founded claims to competency and responsibility. For 67 years this Company has produced quality bonds, postage stamps, bank notes, stock certificates, cheques and other safety requisites for Governments, banks, business concerns and municipalities.

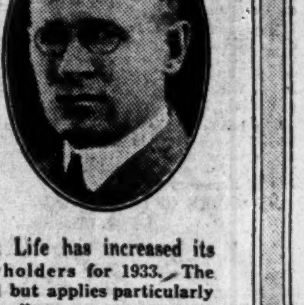
British American Bank Note
Company Limited

1112 Bank of Hamilton Bldg. TORONTO
HEAD OFFICE OTTAWA
511 Place d'Armes MONTREAL

1892—1932
Fortieth Annual Report
The Great-West Life Assurance Company



"We have maintained a strong liquid position and our holdings of Government Bonds have increased substantially, both in amount and in relation to other assets."
G. W. ALLAN, K.C.
President.



"The Great-West Life has increased its profits to policyholders for 1933. The increase is general but applies particularly to the older policies."
C. C. FERGUSON
General Manager.

STRONGER THAN EVER
AT THE CLOSE OF 1932

Surplus and Contingency Reserve materially increased.
Expenses reduced. Favorable mortality rate continued.
Doubtful Assets rigorously written down.

Business in force	$580,536,809
Assets	135,738,365
Policy Reserves and other Liabilities	129,607,861
New Business Issued	46,653,380
Total Income	27,533,438
Payments to Policyholders	21,219,315
Surplus, Contingency Reserve and Capital	6,130,504

Complete report mailed on request.

THE GREAT-WEST LIFE ASSURANCE COMPANY
HEAD OFFICE WINNIPEG

Business Conditions in Canada

The Week in Business

Boom in Gold Stocks Steals Headlines

WORLD-WIDE buying of high class dividend-paying gold stocks has been an outstanding feature of the past week, the boom starting when South Africa went off the gold standard and linked up with sterling. The increased premium on the Canadian dollar in terms of gold and talk of inflation in Canada in order to allow an equitable trading basis with sterling has had the same effect in Canada.

In many respects, of course, the market is an artificial one, the great volume of buying orders from professional traders and the general public accounting for spectacular gains.

* * *

Electric Power Output Ends Year Strong

A SEASONAL increase in loadings of pulpwood and lumber products and a slight increase in merchandise loadings in Eastern Canada were insufficient to offset decreased grain and coal loadings throughout the Dominion and carloadings for the week ended Jan. 28 were 1,513 cars less than in the previous week. The corrected index dropped to 56.60 making the third consecutive decline from the high point of 60.10 recorded for the first week of the year.

Although central electric station production in 1932 was 3 per cent less in volume than in the previous year, it is interesting to note that monthly figures reveal that production was greater during the last two months of 1932 than in the same months of 1931. Monthly production in 1932 followed the usual seasonal trend with July being the low point. The greatest monthly losses from 1931 occurred during the first half of the year, production in the last five months being less than one-half of one per cent below the 1931 figure for the same period.

Export shipments of wheat, although in small volume, continue to run ahead of last year with Vancouver doing the bulk of the trade. West Saint John has come a good deal more into the picture this year, however, and Halifax has also shipped considerably more grain in previous years. Stocks of Canadian wheat in store in Canada and United States remains at approximately 230,000,000 bushels, about 30,000,000 bushels above the figure at the same time in 1932.

* * *

World Conditions Better Is General Opinion

AS was indicated in this column last week, statistics do not as yet indicate improvement in business but the general feeling seems to be that despite this some improvement in fundamentals is under way. Commenting on general world conditions, the Canadian Bank of Commerce Monthly Letter states: "The year has opened with better prospects in the economic and political spheres than could possibly have been foreseen a few months ago. Not only has business in certain countries reached the convalescent stage, but there is increasing evidence that by the close of 1932 industrial activity had become almost general."

Commenting on the Canadian situation, the letter states:

> "Mid-winter dullness has settled over a large part of the industrial area, relieved here and there by seasonal expansion, notably in the manufacture of automobiles, which extends to the plants of many allied industries. The trend in this direction at the commencement of the peak season is difficult to determine, but there is a belief in some quarters that the replacement of old cars and trucks cannot be delayed much longer. The steel industry, which was much more active toward the close of 1932 than in the corresponding period of 1931, appears to have slowed down again, owing to the completion of a large order at one important point."

IMMIGRANTS IN 1932 MAINLY ORIGINATE IN UNITED STATES

Total is 25 Per Cent Below Low Mark of 1931

Immigrants to Canada in 1932 showed a decline from the low figure of 1931, only 20,591 persons entering the country to take up permanent residence, compared with 27,530 in 1931, nearly 70,000 in 1930 and over 100,000 in each of the three previous years.

More than 65 per cent of the persons entering the country to take up residence in 1932 came from the United States and, of the balance, nearly 50 per cent were British. A decrease of only 10 per cent is shown in the number entering from the United States, while Britishers entering declined 57 per cent from 1931.

Hebrews Gain

Among the leading races, Hebrews are the only ones to show an increase in numbers in 1932, the comparative figures being 313 and 214. Totals for four other races, namely, Russian, Roumanian, Greek and East Indian, were slightly higher, but their aggregate number was comparatively small. Northern European races, mainly German, declined 31 per cent in number and all others declined 21 per cent.

Immigrants by Races

	1932	1931
British:		
English	2,101	4,599
Irish	350	871
Scots	800	2,010
Welsh	76	198
	3,327	7,678
United States	13,709	15,195
Northern European:		
French	90	94
German	562	797
Norwegian	54	66
Others	203	356
	909	1,313
Other Races:		
Croatian	93	113
Czech	69	69
East Indian	61	52
Hebrew	313	214
Italian	280	467
Japanese	119	174
Magyar	311	493
Polish	379	560
Russian	74	71
Ruthenian	438	503
Slovak	253	338
Others	256	290
	2,646	3,344
Total	20,591	27,530

Farmers First

There are not, unfortunately, comparable figures for 1931 to an analysis of 1932 immigration by occupations made by the Department of Immigration and Colonization. Totals for 1932, however, reveal that farmers composed the largest individual class, with the trading class and mechanics in second and third place respectively. Analysis by occupation of immigrants through ocean ports and via United States follows:

Immigrants By Occupation, 1932

Class	Via Ocean Ports	From U.S.A.	Total
Farming	843	2,421	3,264
Laboring	300	384	684
Mechanics	332	1,229	1,561
Trading	371	1,519	1,890
Mining	18	53	71
Female domestic	520	225	745
Others	4,498	7,878	12,376
	6,882	13,709	20,591

Locate in Ontario

Ontario absorbed more than 45 per cent of 1932 immigrants, more than 9,300 persons locating in that province. Quebec is next with 4,134 and British Columbia third with 1,950. Figures for all provinces are:

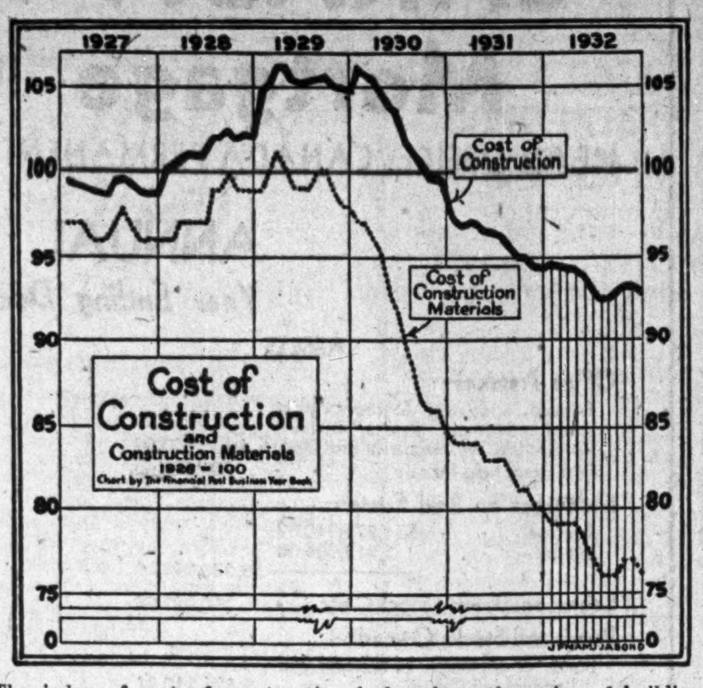
Immigrants By Destination, 1932

	Via Ocean Ports	From U.S.A.	Total
N. S.	389	527	916
N. B.	92	554	646
P. E. I.	13	187	200
Que.	1,158	2,976	4,134
Ont.	2,879	6,433	9,312
Man.	343	414	757
Sask.	411	560	971
Alta.	815	877	1,692
B.C., Yukon	782	1,181	1,963
	6,882	13,709	20,591

Plan New Oil Refinery

It is reported that an oil refinery plant of 57,000 gallons daily capacity will be erected at Port Credit, near Toronto, by the Lloyd Refining Co. Ltd., of which L. B. Lloyd is president. The site has been purchased and work is to start shortly, it is stated.

Cost of Building Materials Continues Decline



The index of cost of construction is based on the price of building materials and wage rates in the building industry. Enquiries instituted by the Dominion Bureau of Statistics in 1924 disclosed that materials constituted 65 per cent and labor 35 per cent of cost of construction. This basis has been varied from year to year according to the relative fluctuation of the two components. For example, in 1931, due to the greater decline in the cost of materials, the weight for materials was 55.3 and 44.7 for wages. The above chart graphically shows the large decline in materials compared with wage rates, no correction of this situation being as yet evident.

52 U.S.A. Magazines Printed in Canada

Combined Annual Circulation Totals 23,000,000—Provides Work for Canadians — Proves Boon to Many Printing Houses

Canadian editions of 52 regularly published United States magazines with a combined annual circulation of approximately 23,000,000 copies are being printed in Canada as a result of the magazine tariff which came into effect on Sept. 1, 1931, according to an analysis made by The Financial Post.

Of these magazines, 7 with a circulation of 262,000 per issue are published weekly, 7 with a circulation of 106,000 semi-monthly, 35 with 562,000 circulation are published monthly. Three with a circulation of 3,000 are published quarterly. In addition to these totals, publication of a few magazines has been temporarily suspended and one or two are issued at irregular intervals.

Labor Benefits Most

Probably the most important effect that the printing of these magazines has had in Canada is on labor. While it is almost impossible to ascertain the actual number of pressmen, binders, shippers, etc. whose employment can be directly traced to these United States publications there is no doubt that the number is substantial. In the case of some printers the extra work so created has provided the necessary revenue to keep them in business, according to those in close touch with the trade.

With the exception of the Maclean Publishing Co., all printers in Canada producing these United States magazines are doing so on a "job printing" basis; that is to say, their contract only calls for the printing of the magazines and all questions of circulation, subscriptions and distribution are handled by news agencies.

In the case of Maclean Publishing Co., however, these other duties are also undertaken in addition to printing. This circulation and distribution has necessitated additions to staff in the case of the Maclean Co., but has not called for an increase by the news agencies as they previously handled the Canadian end of the business when the magazines were printed in the United States.

Paper Used

While some of the paper used in the production of these magazines in the United States was undoubtedly of Canadian origin, paper manufacturers in this country have benefited now that all paper used is Canadian. The volume of ink used is also a considerable item in which Canada has directly benefited.

A rough estimate, based on the fact that 10,000 copies of a 144 page "pulp" magazine would consume about 3,650 pounds of paper, places the amount of this "pulp" paper used in production of U.S. magazines here at slightly over 2,000 tons, while nearly the same amount of book paper is used in magazines printed on better stock. This latter group includes Liberty, Pictorial Review, True Story, Ballyhoo, College Humor, etc.

Advertising

Advertising space in the Canadian editions of these magazines is being sold in the majority of cases but not a great deal is being done in this direction. Even the United States editions do not carry a large amount of advertising. Cover and fly-leaf pages, have, however, been sold to Canadian advertisers, the former pages, in most cases being four-color work.

As the reading matter in the magazines is imported direct from the United States, it can hardly be said that the printing of the magazines here has opened up a new field for Canadian authors. Liberty magazine has, however, substituted an editorial page dealing with Canadian affairs without changing any of the other features of the paper.

No disadvantages of the effect of the tariff were pointed out to The Financial Post by publishers and distributors interviewed and there were many laudatory comments on its action. Neither has the reading public suffered to any extent as, in the great majority of cases, the magazines sell in Canada for the same price as demanded in the United States.

U.S.A. Magazines Printed in Canada

Magazine & Printer.	Retail Price c.	Est. Circul'n	Issued
Southam Press:			
Ace High	20	8,000	SM
Ballyhoo	15	30,000	M
Clues	20	8,000	M
College Humor	25	15,000	M
Cowboy Stories	20	8,000	M
Family Journal	25	6,000	M
Film Fun	20	15,000	M
Range Romances	20	8,000	SM
Rangeland Love	20	10,000	M
Real Detective	15	15,000	M
Short Story	25	15,000	SM
Sky Fighters	20	6,000	M
Thrilling Detective	15	10,000	M
Thrilling Love	15	10,000	M
Top Notch	10	15,000	M
War Aces	20	8,000	M
War Birds	20	8,000	M
West	20	8,000	M
Western Romances	20	8,000	M
Sweetheart Stories	15	10,000	M
Star Novel	25	1,000	Q
Mystery Novel	25	1,000	Q
Three Cove Novel	25	1,000	Q
Indust. & Educational Press:			
Battle Aces	20	8,000	M
Battle Stories	25	8,000	M
Dime Detective	15	20,000	M
Pictorial Review	10	75,000	M
Garden City Press:			
True Confessions	15	10,000	M
Complete Stories	15	25,000	SM
Detective Story	20	25,000	SM
Love Stories	15	35,000	W
Shadow	10	25,000	W
Sport Story	15	5,000	W
Western Story	15	15,000	W
Polygraphic Co. of Canada:			
Complete Detective	30	12,000	M
Complete Novel	30	10,000	M
Dream World	20	10,000	M
Master Detective	20	20,000	M
True Detective	30	25,000	M
True Experience	15	10,000	M
True Romances	30	15,000	M
Canadian Gravure:			
True Story	25	100,000	M
Liberty	5	150,000	W
Maclean Pub. Co.:			
Adventure	25	10,000	SM
All Story	15	15,000	SM
Argosy	15	16,000	W
Blue Book	30	15,000	M
Detective Fiction	15	16,000	W
Flying Aces	20	8,000	M
Railroad Stories	20	10,000	M
Sky Birds	20	8,000	M
Western Trail	20	8,000	M

Dominion Makes Loan to Alberta Province

From Our Own Correspondent

OTTAWA.—Federal loans to the western provinces continue to grow from week to week.

The latest loan is to Alberta and is to defray the cost of public works. The amount is $200,000, and the date of the loan January 27 last.

This loan is not to pay for the Dominion's share of public works but is to cover purely provincial expenditures. The sum total of the loans to the western provinces now stands at $41,320,562.73.

The forecast made by The Financial Post, November 26 last, that these loans would approximate $50,000,000 by the close of the year now seems to be conservative.

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1932-33	1932-31	Cumulative Jan. 1 to date 1932	1931
Transportation—				
Car loadings (Jan. 28)	31,437	41,105	123,795	160,621
C.P.R. gross earn. (Jan. 31)	$ 2,605,000	$ 2,964,000	$ 7,676,000	$ 9,204,000
C.N.R. gross earn. (Jan. 31)	$ 2,878,581	$ 3,449,865	$ 8,455,899	$ 10,948,329
	Monthly			
C.P.R. net earn. (Dec.)	$ 2,310,749	$ 3,590,562	$ 20,089,984	$ 25,424,766
C.N.R. net earn. (Nov.)	$ 1,038,581	$ 2,084,481	$ 10,164,170	$ 7,491,999
Iron and Steel—				
Pig iron, tons (Dec.)	27,031	18,862	144,130	420,038
Steel, tons, (Dec.)	30,755	20,969	342,788	672,109
Automobiles prod., No. (Dec.)	2,139	2,377	60,816	82,559
Automobile exports, No. (Dec.)	1,182	303	13,022	14,589
Construction—				
Building permits (Dec.)	$ 1,480,731	$ 7,895,106	$ 39,403,306	$ 112,222,845
Contracts (January)	$ 3,362,400	$ 12,738,300	......	......
Newsprint—				
Production, tons (Dec.)	188,682	165,173	1,907,566	2,221,454
Exports, tons (Dec.)	186,993	161,836	1,776,758	2,008,238
Sugar—				
Imports, raw, lbs. (Dec.)	22,371,400	46,338,100	674,635,900	798,359,500
Melt & ship, lbs.*	37,750,363	49,098,775	854,402,512	906,972,511
Manufactured, lbs.*	61,344,717	61,612,767	956,289,254	982,132,339
Flour—				
Production, bbls. (Dec.)	1,009,799	1,175,152	14,465,164	16,673,367
Wheat flour exp. bbls. (Dec.)	492,033	451,310	5,131,791	5,697,224
Other Industrial Indices—				
Lumbering: Plank & board exports, mill ft. (Dec.)	38.54	56.65	675.12	937.73
Boots and shoes, pr. (Nov.)	1,361,334	1,254,696	16,901,154	16,544,082
Petroleum, imp. crude, gal. (December)	32,810,000	61,840,000	889,847,119	1,017,393,901
Cotton, imp., raw, lbs. (December)	13,819,000	12,224,000	97,356,000	95,598,000
Rubber, raw, imp., lbs. (Dec.)	2,109,000	5,493,000	46,854,961	56,582,185
Coal, imports, tons (Dec.)	823,636	1,025,187	11,673,428	13,531,881
Gasoline sales, gals. (Sept.)	63,607,000	61,382,000	389,876,000	422,291,322
Trade—				
Imports (December)	$ 29,025,434	$ 40,289,795	$ 452,678,492	$ 628,098,386
Exports (December)	$ 42,615,796	$ 53,255,476	$ 493,916,338	$ 605,836,002
Wheat exports, bus. (Dec.)	27,735,999	22,355,975	228,220,755	194,924,865
Labor—				
Employment Index (Dec.)	78.5	91.6	....	....
Electric Power—Output—				
M. Kilowatt hours (Dec.)	1,433,159	1,432,182	15,862,736	16,383,398
Finance—				
Failures, No. (Nov.)	229	213	2,224	2,020
Failures, Liabilities (Nov.)	$ 4,342,717	$ 4,335,646	$ 38,849,423	$ 49,595,665
Bank debits† (Dec.)	$ 2,684,605	$ 2,638,122	$ 25,844,288	$ 31,586,468
Bond sales (Dec.)	$ 265,700	$ 1,910,260	$ 374,529,058	$ 611,087,497
Insurance sales (Dec.)	$ 33,483,000	$ 47,163,000	$ 403,923,000	$ 489,312,000
Automobile Financing:				
Used cars (Dec.)	$ 652,725	$ 1,008,073	$ 13,116,991	$ 21,071,707
New cars (Dec.)	$ 471,961	$ 823,881	$ 12,736,918	$ 20,869,547

*Four weeks' period, Dec. 10 to Dec. 31.

Higher Output Electric Power Features Week

While output of central electric stations failed to hold all of the large November gain, the December figure was greater than that of December a year previous, this important gain being made in the face of lower industrial activity throughout the Dominion; only in Quebec was December production lower than that of the previous month.

Important statistics released during the past week are as follows:

	Dec. '32	Change From Prev. Period	From Prev. Year
Monthly			
Cent. elec. output kwh.	1,433,159,000	— 1.0	+ 0.07
Raw cotton imports, lbs.	13,819,000	—10.1	+13.0
Raw rubber imports, lbs.	2,109,000	—40.9	—61.6
Newsprint prod., tons	138,680	—14.1	—16.0
Petroleum imports, gals.	32,810,000	—36.6	—47.0
Weekly*			
Carloadings, No.	31,437	— 4.6	—23.5
Wheat stks., bu.	229,567,921	+ 0.3	+17.4
Wheat exp. bu.	2,934,672	+13.9	+20.1

* Weeks ended Jan. 28, 27 and 27, respectively.

RETAIL SALES MAKE USUAL DEC. GAIN

Increase from November Slightly Greater Than Average

Retail sales made the usual seasonal increase in December, the jump from the previous month being 40 per cent, a larger percentage than in previous years, according to index numbers of retail sales compiled by the Dominion Bureau of Statistics. No correction of these indices is made for seasonal influences nor is there any allowance for price changes. Indices are compiled from returns of 83 chains and 25 department stores.

Sales volume for December is represented by 120.1, on the base of the average for 1926 equals 100, compared with 141.8 in December, 1931, and 85.6 in November, 1932. All groups with the exception of dyers and cleaners recorded increased sales.

Comparative indices are as follows:

Index Numbers of Retail Sales

	Dec. 1932	Nov. 1932	Dec. 1931
Boots & shoes	95.9	77.3	125.5
Candy	127.9	57.0	146.0
Clothing	120.4	85.6	131.6
Drugs	92.9	79.3	103.9
Dyers & cleaners	77.4	92.2	78.7
Furniture	59.3	55.6	88.6
Gen. & department	161.7	97.7	195.9
Grocery & meats	88.3	80.4	96.8
Hardware	99.3	79.4	142.1
Music & radio	41.6	40.7	82.6
Restaurant	62.4	56.1	78.5
General	120.1	85.6	141.8

Wholesale Prices Continue Decline

Wholesale prices continue to decline, the preliminary index of the Dominion Bureau of Statistics for January being 63.8 compared with 64.0 for December. Quotations for 57 component products were higher, 97 were lower and 348 remained unchanged.

Slight advances in flax, oats, rye, wheat and flour prices more than offset declines in corn, oatmeal, bran and coffee and the vegetable products index increased from 50.2 to 50.9. All other groups were lower than in December although there were some gains in individual products, such as hides, steers, lambs, raw wool and raw cotton.

Indices for January, 1933, compared with the previous months and January, 1932, are shown in the following table:

Index Numbers for Wholesale Prices in Canada
(1926 = 100)

	Jan. 1933	Dec. 1932	Jan. 1932
Vegetable	50.9	50.2	55.7
Animal	56.5	57.2	63.6
Fibres, textiles	68.0	68.6	71.8
Wood & paper	63.6	64.0	74.8
Iron & steel	85.4	86.2	87.1
Non-ferrous metals	56.9	57.5	66.5
Non-metal minerals	86.0	86.1	87.3
Chemicals	82.5	83.6	84.4
Comp. index	63.8	64.0	69.4

Business Briefs

Car loadings for the week ended Jan. 28 amounted to 31,437 cars, a decrease of 1,513 cars from the previous week, and the index number dropped from 58.44 to 56.60. Largest decreases took place in grain and coal in the western division.

Wheat stocks increased slightly in the week ended Jan. 27 to 229,567,921 bushels from 228,891,246 bushels. During the corresponding week of 1932 stocks amounted to 195,510,442 bushels.

Wheat exports increased slightly over the previous week and the corresponding week of 1932. Exports totalled 2,934,672 bushels, the bulk of which was handled through Vancouver.

OUTPUT OF FLOUR HITS HIGH LEVEL FOR NOVEMBER

Monthly Production Exceeds All Figures Since November, 1928

From Our Own Correspondent

MONTREAL.—Flour production and exports in November, 1932, showed not only a seasonal gain over the previous month but an improvement over November 1931 Production, in fact, was the highest to be recorded in any month since November, 1928, while exports had not been exceeded in any month since December, 1930.

Output in last November totalled 1,942,844 barrels compared with 1,721,698 barrels in the previous month and 1,812,457 barrels in November, 1931. Mills operated at 70.5 per cent of capacity, a marginal improvement over the same month in the previous year.

For the 11 months ended November total production of Canadian flour mills was 13,455,365 barrels. Recent gains in output did compensate for earlier losses and production was 876,000 barrels below that of the first 11 months of the previous year.

Exports Show Gain

Exports in November totalled 576,864 barrels of flour, an increase of 100,000 barrels over the same month in 1931. For the 11 month period exports were 4,659,748 barrels compared with 5,245,814 barrels in the same months of the previous year, a decline of 586,000 barrels.

New Industries

N. Slater Co., of Hamilton, Ont., has completed arrangements with the Chamberlain Corp. of Waterloo, Iowa, to manufacture their patented wringers for the Canadian market. The Canadian product will be known as the Chamberlain-Slater wringer and will be distributed by the Slater Co.

Lime and Hydrate Plants Co., of York, Penn., will shortly commence manufacture in the Stephens, Adamson Manufacturing Co. plant in Belleville, Ont. The company manufactures lime and hydrate plants as well as hammer mills and dryers.

American Well Works, of Aurora, Ill., will also locate in Belleville in the same plant.

Commodity Prices

Commodity Prices at Wholesale‡

	Week ending Feb. 4	Previous week	Same week last yr.
Cattle (cwt.)			
Toronto	$4.40	$4.50	$6.50
Copper, lb.	.05	.05	.06½
Cotton, lb.	.0595	.0625	.0675
Rubber, lb.	.0297	.0296	.0412
Silk, lb.	1.22½	1.20	1.85
Sugar, raw, lb.	.0265	.0270	.0295
Wheat (Man) bu.	.44½	.44⅜	.56¼
Hides, lb.	.05	.05	.06½
Coffee ,lb.	.08¼	.08¼	.07
Weekly Indices*			
N. Y. Annalist	80.3	81.4	94.0
Fisher's	55.3	55.5	†62.0
N. Y. Journal of Comm.	52.5	52.6	59.6
Crumps (Brit.)	60.9	61.1	†62.4

* N. Y. Annalist base, 1913, others, 1916.
† Average 1932.

Monthly Indices

	Latest w'sale	Prev. month	Same month last year
Canada (D.B.S.) (Dec.)	64.0	64.8	70.6
Retail (dec.)	80.4	80.4	89.6
U. S. Labor (Dec.)	62.6	63.9	...
Gt. Brit. (Dec.)§	46.0	46.0	...

‡ Basis of price quotations is as follows: cattle — steers, good, over 1,050 lbs., top price, Toronto; copper—electrolytic, New York; silk—Japanese, 13-15, New York; sugar—96 degree centrifugal c/f New York; wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; coffee—Rio, No. 7, spot, New York.

§ Converted to U. S. dollar equivalent.

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$2,500,000,000.
A COMPLETE BANKING SERVICE

A STRONG POSITION
Summary of 27th Annual Report
Insurance in Force $56,346,809.00
In 1922—$32,431,349.00
Assets 10,692,563.28
In 1922—$3,000,373.85
Policy Reserves 9,165,870.00
In 1922—$2,672,298.00
Cash Income 2,143,878.94
In 1922—$1,014,306.54
Paid to Policyholders 1,186,859.12
In 1922—$135,958.14

The Company's exceptional record for low mortality has been continued, an evidence of the excellent quality of the Company's business.
Expenditures have again been reduced.
Surplus earnings for the year were satisfactory, ranking among the best in the Company's history.
Assets have been valued on a conservative basis below the values authorized by the Dominion Insurance Department.
Special Reserves and Surplus now exceed
ONE MILLION DOLLARS
E. J. TARR, K.C.
President
J. A. MACFARLANE
General Manager
The MONARCH LIFE ASSURANCE COMPANY
A Progressive Canadian Company
ESTABLISHED IN 1906
HEAD OFFICE—WINNIPEG

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No man can enjoy the leisure hours for which he strives unless his investments are secure. For peace of mind, keep an adequate Savings Account. It pays 3% interest, is always ready for use — and never depreciates. Whether your Savings be large or small, The Royal Bank of Canada is always ready to give you interested and efficient service.
The ROYAL BANK OF CANADA
ASSETS over $700,000,000

President Urges Tax Economy in Address to Canada Permanent Mortgage Corporation

Annual Governmental Deficits Cannot Continue Indefinitely — Economy Essential in All Administrations — Excessive Taxation a Brake on Business.

CORPORATION'S YEAR HIGHLY SATISFACTORY

Liquidity is Excellent — Mortgage Investments Well Diversified — Payments on Mortgages Well Met — Substantial Growth in Business of the Canada Permanent Trust Company.

The annual meeting of the Canada Permanent Mortgage Corporation was held at the Head Office, Toronto, on February 2.

MR. W. G. GOODERHAM, PRESIDENT, said in part:

It will be generally admitted that the year 1932 was the most difficult of the present century. Twelve months ago there seemed to be some reason to feel that we might look forward to the commencement during the year of a recovery, not rapid perhaps, but gradual and consistent. Our hopes were later encouraged by favourable reports from the West, but, while the expectation of a good yield was realized to the full, the anticipated betterment did not take place. The low prices of basic commodities continued to prevail, and wheat in particular dropped to a level hitherto practically unknown. The result was a further restriction of the purchasing power of our people, with a corresponding curtailment of business and commercial activities, and, in many instances, an inability to meet immediate obligations. At the same time our taxation and public indebtedness continued to increase.

POLITICAL IRRITANTS REMOVED

Yet, even here, there is something to be carried to the credit side of the account. In Europe, at least, if prosperity has not yet returned, some of the conditions essential to its return have been realized. The vexed question of war reparations was practically settled at Lausanne, and the admission of Germany to the Disarmament Conference on a basis of equality has been assured. Both were questions of major importance, which contained within themselves a menace to peace. Their removal as political irritants is a distinct advance, for whatever may be the cause of the present world difficulties the remedy certainly will not be found in an atmosphere of political confusion and international distrust.

OUR DOMESTIC PROBLEMS

It is to be regretted that further progress has not been made in the settlement of our domestic difficulties. The railway problem and the problem of unbalanced budgets are still with us, and the prospect would be more hopeful if the issues were not clouded by political prejudice and political expediency. It must surely be obvious that even a rich country like our own cannot continue indefinitely a policy of annual deficits, to be met by a corresponding succession of Government loans. A Government bond may be an attractive security for the private investor; it is also an obligation of the people which must ultimately be discharged by the productive energy of the people. It means increased taxation and excessive taxation means a brake on the wheels of business progress, whether it takes the form of a direct imposition on the individual or of "painless extraction," through the method of Customs duties, corporation taxes, or other ingenious contrivances devised to meet the exigencies of our Government bodies.

NEED UNHAMPERED INDIVIDUAL EFFORT

It would serve no useful purpose to attempt a forecast or indulge in prophecy. The Corporation has a history more than twelve years longer than that of the Dominion of Canada. Its operations extend from the Atlantic to the Pacific. Its business is of such a character that its success is inseparably bound up with the success of the country at large. Whatever may be our present difficulties the natural wealth of our country is unimpaired. Our people have never been lacking in steadiness, courage or resource. They are not likely to be deluded by false economics or fantastic politics. Given a reasonable assurance that the costly mistakes of recent years will not be repeated, that individual enterprise and energy will not be unnecessarily hampered or unduly penalized and there can be no question as to the future.

MR. GEO. H. SMITH, FIRST VICE-PRESIDENT AND GENERAL MANAGER, addressed the meeting in part, as follows:

It is not my intention to address you at any length, but there are certain features of the Annual Statement to which, perhaps, some reference should be made. It reflects, as it cannot fail to do, the abnormal conditions prevailing throughout the Country. The Net Profits are slightly less than in the preceding year, but that was to be expected. The Reports of other financial institutions show that this is the universal experience. In our own case, I think we have reason to be gratified with the results of the year's business, and we believe the Statement will be received by the Shareholders with a general feeling of satisfaction.

STRONG LIQUID POSITION

Notwithstanding the adverse conditions prevailing, the earnings were sufficient to pay our usual dividend for the full year, after making provision for the very heavy taxes which we were called upon to meet, and which were considerably increased during the year, and for all other contingencies, and to write a substantial sum off Office Premises Account. The Statement, as a whole, discloses a strong liquid position, having regard to either existing obligations or to future business possibilities.

MORTGAGES WELL DIVERSIFIED

I spoke to you at our last Annual Meeting of the general character and distribution of our mortgage investments. May I again remind you that they have been carefully selected, are well diversified and widely distributed. By our system of repayment most of our mortgage loans have been reduced, some very largely. Approximately 66 per cent. of our mortgage loans are on properties in Eastern Canada, 26 per cent. on properties in the three Prairie Provinces, and 8 per cent. in British Columbia, mainly in Vancouver. The proportions as between city and farm properties are 77 per cent. on improved city properties, chiefly modern dwellings of moderate size and cost, and 23 per cent. on cultivated farms. It is probably not more than twenty to twenty-five years ago that these percentages were practically reversed. The average amount of our mortgage investments, including interest, is slightly less than $3,000. Our loans on farm properties throughout the Dominion average $1,767.

COLLECTIONS WELL MAINTAINED

Notwithstanding the unusual conditions prevailing throughout the year, our collections on mortgage accounts were well maintained. We received on principal approximately $3,495,000 and on interest, $3,226,953. Though there was a substantial reduction in the amount of principal outstanding, the total of our interest collections was only about 8 per cent. below that for 1931. I should like at this point to pay tribute to the manner in which our mortgagors, and particularly our farmers, have met their mortgage obligations, both principal and interest, in spite of the existence in several of the provinces of moratorium or debt adjustment legislation. After all, the postponement of a debt is not a payment of the debt and the benefit even to the mortgagor of this type of legislation is often more apparent than real.

PROPER SAFEGUARDS ESSENTIAL

There has been considerable discussion in recent months on the general mortgage situation, and reports have appeared from time to time in the public press which were, to say the least, unfortunate. A first mortgage on real estate is not only an important but an essential item in our social and financial system. The legal conditions attaching to the relationship of mortgagor and mortgagee afford a large measure of protection to both. It may be that unusual situations require unusual treatment, and while perhaps it may be desirable as things now stand, that in certain cases special protection should be given to the mortgagor, it cannot too strongly be urged that any interference with the mortgage contract should be carefully restricted and permitted only under proper safeguards. It is not in the interest of either borrowers or lenders that capital which would normally be available for mortgage loans should be diverted into other channels through loss of confidence on the part of the investor in a type of security which has always occupied a place peculiarly its own by reason of its stability and safety.

UNCERTAINTY RESTRICTING NEW BUILDING

Nothing could be of greater assistance, at a time like the present, in increasing employment and opening the door to a moderate improvement in business conditions than a reasonable volume of new construction. With the uncertainty existing as to the possibility of the legislature curtailing the contractural rights of mortgagees, lending companies cannot risk the employment of funds which might otherwise be available in that way.

TRUST CO. CLIENTS INCREASE

A review of the Annual Statement would not be complete without a reference to The Canada Permanent Trust Company. Here, too, the net profits for the year were slightly less than in 1931, but they were sufficient to meet the dividend and other requirements and to leave a balance of $10,700 to be carried to the credit of Profit and Loss. The amount to the credit of that account now stands at $59,453.09. During the same period the assets under administration increased from $27,200,000 at the end of 1931 to $29,160,000 at the end of 1932—an increase of approximately $2,000,000. The total assets of the Trust Company, including assets under administration, are slightly less than $32,000,000. It will be noted that in the Statement of the Mortgage Corporation the capital stock of the Trust Company is carried at par, although there is in fact standing in the Reserve Fund and to the credit of Profit and Loss in the latter company an amount equivalent to 45 per cent. of the paid-up capital. The Trust Company is steadily extending its business, and in the words used by the President at our last meeting "it is serving an annually increasing number of satisfied clients."

TAXATION BURDENSOME

The general conditions prevailing are not peculiar to ourselves, and the causes are not of our own creating. It is obvious that the remedies are not within our control. Something, however, should be done to set our own house in order. Practically all of the leaders in our financial and business institutions have called attention to the subject of increasing taxation. One can readily understand the difficulties with which our governing bodies—incidentally, too numerous, too large and too active—are faced in attempting to balance their budgets. At the same time much could be done to decrease the burden if they would show in the reduction of unproductive expenditure the same energy and ingenuity which they have recently displayed in devising new methods of taxation.

TAXATION AND DIVIDENDS

I do not know that the Shareholders fully appreciate the extent to which the profits of the Corporation, from which their dividends have to be paid, have been affected by steadily increasing taxation during recent years. During the past four years there has been an increase in the aggregate amount of taxation paid for the purpose of doing business, and not including taxes on real estate, of considerably more than 50 per cent. We should like to have an assurance that we shall not have to face further increases in the future.

It is only natural that you should expect me to say something about the prospects for the dividend. Although reduction of dividends has been the almost universal rule among financial institutions, we continued, throughout the whole of the year, notwithstanding reduced earnings and increased taxation, to pay the full dividend which the Shareholders have been receiving since 1921. I do not wish to leave the impression that I am pessimistic as to the future, or have any doubt as to the ultimate outcome. If the future were more clearly defined and there were assured prospects of early improvement there would be no difficulty in continuing the dividend we have paid. We cannot, however, conceal from ourselves the fact that the causes of the present depression are deep seated, that they cannot be removed overnight, and that even when recovery is assured its progress will be slow. The Directors, therefore, feel that as a sound business policy, until the future is less obscure, we shall be best serving the interests of the Shareholders by conserving and adding to surplus profits, and future dividends, for a time at least, will be declared at the rate of Ten per cent per annum.

CANADA PERMANENT Mortgage Corporation

HEAD OFFICE: CANADA PERMANENT BUILDING, 320 BAY STREET, TORONTO.

ANNUAL STATEMENT

Year Ending December 31st, 1932

ASSETS

Office Premises—			
Toronto, Winnipeg, Vancouver, Saint John, Edmonton, Regina, Halifax, Woodstock(Ont.) and Brantford(Ont.)		$ 4,436,500.00	
Real Estate held for sale - - -		758,273.46	
Mortgages on Real Estate—			
Principal - -	$54,275,910.02		
Interest - - -	1,712,084.00		
		55,987,994.02	
Loans on Bonds, Stocks, etc. -		110,221.98	
Bonds and Stocks Owned—			
Bonds of Dominion of Canada and Provinces of Canada - - -		2,536,119.81	
Bonds guaranteed by Dominion of Canada or Provinces of Canada -		1,486,334.91	
Bonds of Canadian Municipalities -		1,153,223.94	
Bonds guaranteed by City of Toronto		190,952.58	
Other Bonds and Debentures - -		481,143.76	
Stocks—including $980,000.00 of The Canada Permanent Trust Company at par - - - - - - -		1,973,853.33	
Cash—			
In Chartered Banks and on Hand -		2,472,855.62	
			$71,587,473.41

LIABILITIES

To the Public—			
Debentures—			
Debenture Stock and Accrued Interest (£163,136 16s. 5d.) -	$ 793,932.52		
Debentures—Sterling—and Accrued Interest (£2,418,608 12s. 6d.) -	11,770,561.98		
Debentures — Currency — and Accrued Interest - - - -	28,560,194.33		
Deposits and Accrued Interest -	14,608,179.20		
Reserve for Dominion Income Tax payable in 1933 - - - -	100,000.00		
Sundry Accounts - - -	11,156.65		
		$55,844,024.68	
To the Shareholders—			
Capital Stock subscribed and fully paid - - - - - -	$ 7,000,000.00		
Reserve Fund - - - -	8,000,000.00		
Dividend payable 3rd January, 1933 - - - - - - -	210,000.00		
Balance carried forward at Credit of Profit and Loss - - - -	533,448.73		
		15,743,448.73	
			$71,587,473.41

PROFIT AND LOSS ACCOUNT

Balance at Credit of Profit and Loss, December 31st, 1931 - - - - - - -	$ 540,636.03
Net Profits for the year, after deducting interest on borrowed capital and expenses of management, after paying all Taxes due and providing for all accrued Taxes and after making full provision for all charges and losses, amounted to - - -	888,559.39
Making available for distribution - - - - - - - - - -	$1,429,195.42
Appropriated as follows—	
Four quarterly dividends of Three per cent. each on the paid-up Capital Stock -	$ 840,000.00
Written off Office Premises - - - - - - - - - - - - -	55,746.69
Balance carried forward at credit of Profit and Loss - - - - - - - -	533,448.73
	$1,429,195.42

BOARD OF DIRECTORS

W. G. GOODERHAM
President

GEORGE H. SMITH
First Vice-President and General Manager

COL. A. E. GOODERHAM, LL.D.
Second Vice-President

F. GORDON OSLER

GEORGE W. ALLAN, K.C.
Winnipeg

WILLIAM STONE

JOHN A. ROWLAND, K.C.

NORMAN MACKENZIE, K.C.
Regina

A. B. CAMPBELL, W.S.
Edinburgh

F. S. CORRIGAN

WALTER F. WATKINS
Secretary

ROBERT HENDERSON
Inspector of Branches

CHARLES S. ROBERTSON
Manager, Ontario Branch

Branch Offices: Toronto, Woodstock and Brantford, Ont.; Winnipeg, Man.; Edmonton, Alta.; Regina, Sask.; Vancouver, B.C.; Saint John, N.B. and Halifax, N.S.

Building Industry Unites to Prepare for New Era and Make Common Front

Seventeen Canadian Organizations Have Conferred in Toronto

STABILITY FIRST

Attacks on Mortgages Scare Off Lenders—Steel Houses Planned in Toronto — British Getting Busy

By WELLINGTON JEFFERS

Important spade work going on in various sections of the building industry to get ready by study and experiment for building better houses at lower cost and with every modern feature of value is the most encouraging phase of the whole construction situation. Building totals may be low and going lower while confidence is weakened by statistics regarding unemployment, drives to get rents lower, increasing taxes and threats of political interference with the rights of mortgagees but the future looks brighter with every evidence that the building industry itself is fully alive to the needs of lower costs, better living values and quicker time in construction.

So far as the public is concerned the question of whether steel is superior to wood or vice versa for small houses is of less importance than that the industry is giving the matter its full attention and that it will eventually do whatever will meet the new demands as completely as possible. This is true in Canada, the United States and Great Britain alike.

Canadians Confer

Just this week, February 6, 7 and 8 seventeen Canadian organizations sent representatives to a national conference in Toronto on the subject. This National Council on Construction was sponsored by the Royal Architectural Institute of Canada in collaboration with the Canadian Construction Association. A National committee on construction recovery was at work preparing for this conference for several months. This committee included representatives of the Canadian Manufacturers Association and the Engineering Institute of Canada as well as the other two bodies referred to.

The building industry is the second largest in Canada except in a time of depression like the present and its recovery would mean a great deal to the general well-being of the nation. This conference was called because lumbermen, brick manufacturers, woodworkers, founders, metal trades, contracting plasterers, electricians, electrical companies, structural clay tile companies, members of the Canadian Institute of Steel Construction, those in the paint, oil and varnish business, makers of automatic sprinklers, members of the Canadian Ceramic Society and workers in every department of building whether on the building lot, in the factory or back in the woods or the mine, realized that there are legislative, financial and building problems which are of importance to all of them alike and on which they should show a united front. Their first care will be and should be to make whatever adjustments are needed within the industry to smooth the road to more prosperous and active conditions.

Scotch Thrift

"In making my budget for 1933, I resolved to economize. I prepared two lists; one of things necessary to a civilized man, who had spent 17 years in Canada, the other of things in the luxury class, (a small list).

"On checking the lists against each other I found that The Financial Post was on both lists. Therefore my subscription had to be renewed.

"My common sense proved stronger than my logic."

—A Scottish Investor.

Realtors are Interested

A similar council of all departments of the building industry was recently held in Detroit, and on January 28, H. L. Whittemore, secretary of the Technological Development committee of the President Hoover's Conference on Home Building and Home Ownership, at the convention of the National Association of Real Estate Boards at Washington, D.C., insisted to the realtors on the importance of taking into consideration the technological progress made in gas heating, the possibilities of progress in new floor and wall materials, and in temperature control and air conditioning in planning homes. There was an animated discussion from the floor on the ways and means through which homes can be built at lower cost than at present, but possessing equal comfort.

British Rationalize Building

Turning to the British Isles one finds that the building industry has been suffering from the same creeping paralysis which has affected Canadian construction since 1931. Expenditure on building that is not immediately remunerative has ceased, municipal building and public works have been generally curtailed, but methods of management are being rationalized and labor saving appliances of all kinds are being adopted, according to the Times Trade and Engineering Supplement of January 14, 1933. An article on building prospects for 1933 states that the time formerly required for the erection of a building has been substantially reduced and that fewer operatives are needed. Trade union leaders are urging the adoption of a five day week of 8 hours a day, in order to spread employment for the 2,000,000 male workers in the industry. Contractors object that this increases their overhead unless output is as great for a 40 hour week as for a 45 hour week.

It is realized in the British Isles, just as it is in Canada and the United States, that those with money must feel again that there is money in the building business, before there can be a revival. It is felt in all three countries as well, that in most communities there are a number of restrictive regulations and by-laws which add considerably to building prices, and which might be modified without danger to public health and safety. In the last year some progress has been made in clearing away some of the driftwood of the last century, but much has to be done as yet before there is an appropriate standardization of building regulations.

Many Regulations Obsolete

Many of the old regulations in England as in Canada have been rendered obsolete by the advance of steel construction, the development of electricity for lighting, heating and many other uses, the mechanical equipment of buildings with elevators and other appliances, the demands of sanitation, fire-resisting materials and methods of construction and application of fire-fighting appliances to modern buildings.

"Refresher" courses have been given at the Building Research Station in England, where practical problems relating to limes and plasters, bricks and other clay products, cement and concrete, asphalts and bitumens, paints and waterproofers, preservation of stone work, acoustics and damp prevention are studied. This is because it is felt that many difficulties encountered in architectural practice today would be avoided altogether if only more scientific knowledge was utilized by the professional architect and the builder.

Terminating Subsidies

It is interesting to note that in 1933 the British Government intends to terminate all subsidies for houses under the latest Housing Bill except those for slum clearance. The Bill will provide for guarantees to be given, in approved cases, of advances by building societies to finance the building of blocks of small houses to be let, and not to be sold. The societies have large resources of capital available, and these will be tapped under the scheme. It is hoped by these and other means to encourage unassisted private enterprise to return to the field of small house building to be occupied by tenants, a field which has been largely left to municipalities since the war. Considerable thought is also being given in Great Britain to the possibility of organizing the stages of construction, in order to develop more economical and rapid methods of providing small dwellings that can be let at low rents to unskilled artisans. It is stated that shrewd builders are already planning for a summer building campaign to supply the need.

Money Awaits a Welcome

There are resources of capital for financing building in Canada although building societies are conspicuous by their absence. One of the most important of these sources and the conditions under which this money could be made available were made apparent by George H. Smith, first vice-president and general manager of Canada Permanent Mortgage Corp., at the annual meeting when he said:

> "Nothing could be of greater assistance, at a time like the present, in increasing employment and opening the door to a moderate improvement in business conditions than a reasonable volume of new construction. With the uncertainty existing as to the possibility of the Legislature curtailing the contractual rights of mortgagees, lending companies cannot risk the employment of funds which might otherwise be available in that way."

Mr. Smith's later remarks about burdensome taxation and their effect in curtailing dividends everywhere might also be applied to the building situation. The growing perception of lenders that taxes are a growing competitor for the money of tenants and house owners make mortgages less secure has much to do with the rate asked and the amount available. A trend toward lower taxation would be a great impetus to building.

Fears Obsolescence

A Canadian, referring to recent articles on modern trends in building in The Financial Post, writes as follows:

> "I am somewhat disturbed by recent articles in The Financial Post on the likelihood of building in the next decade or two, resulting in better dwellings at cheaper cost progressively. Does that mean that my house, a solid-brick seven-roomed house in a good district, is going to depreciate in value every year for two decades? It is not so much depreciation I am afraid of because everything depreciates and I would meet it with maintenance and continual repairs. But is it likely that the new houses will make mine obsolete and difficult to sell at a reasonable price? I have just finished paying for it after years of saving to accomplish that end. Is steel going to be essential? (Signed "A. B.")

Although The Financial Post is informed that half a dozen houses of steel construction may be erected in Toronto this year there is very little reason for A. B. to worry if he intends to continue living in Toronto and in that house the rest of his life. His house may be worth less money just as under present conditions all types of building throughout Canada are worth less money than they were in 1929 and 1930, but his house will not be rendered entirely obsolete because it is the history of changes in methods in any industry that there grows up a large body of efficient and ingenious people who can bridge the gulf between the old and the new. Doubtless new houses can embody what is of permanent value in air conditioning to better advantage than older houses but you will find that the latter, made of brick and wood for chief constituents, possess a surprising adaptability to meet changing needs. There are houses 100 years old in Toronto and Montreal still meeting with surprising efficiency the demands of the new era. They have in them in some cases inside plumbing, electric wiring, oil heating and many other devices not dreamed of when the houses were built. The stables have disappeared and the driving sheds have become garages.

Steel Must Be Proved

As to steel ousting brick and wood, rest easy. The most that can be said is that steel will be used more largely in the future than it has been in the past in residence construction. Even V. Gilmore Iden of the American Institute of Steel Construction in a recent address to the New Jersey Mason Material Dealer's Association claimed only that "considerable and very satisfactory progress" had been made in steel-constructed houses in recent years and admitted that more practical results in the general field of steel fabricated houses would be needed before the method could be pronounced a distinct success.

Though Mr. Iden expects nothing but steel framing in the better grade of residences in the future, he expects it only as the industry becomes able to demonstrate lower cost and better construction. He warns that steel is not a material that can be successfully handled by the inexperienced. He says that an occasional beam or column may be stocked and erected by any good builder but that to build a complete frame or to erect an integrated unit requires the services of people experienced in steel construction. The requisite experience is available in small steel fabricating shops to be found here and there all over the continent, and to that extent a new element may be added to the house building industry.

The steel industry, Mr. Iden says, does not itself intend to enter the business of building houses. Materials made by it could be used for homes, however, just as structural steel is used for office and other buildings. Some of the larger steel mills did own and operate fabricating plants and did engage in fabricating and erecting structural steel in buildings and bridges. In the United States 600 independent fabricating plants competed with these mill-owned units. In the realm of house building, however, he doubted very much whether house building could be successfully carried on without the services of real estate men, speculative builders, supply dealers, and that vast organization which has grown up to supply new houses.

Building Hits New Low Point Since Jan., 1919

Construction contracts awarded in January throughout Canada amounted to only $3,362,400, the lowest monthly total since January, 1919, when the total dropped below the $3,000,000 mark, according to MacLean Building Reports, Toronto. This January total compares with $12,738,300 recorded in January, 1932, and $20,299,100 in January, 1931.

All provinces with the exception of Nova Scotia recorded a decrease from the same month of 1932, contracts awarded in the Prairie Provinces dropping to only $101,300 compared with $1,916,000 a year previous. Quebec made the best showing after Nova Scotia with contracts of $1,522,500 compared with $2,820,400 in January, 1932.

Contracts awarded in each of the nine provinces in January compared with the same month of 1932, are as follows:

Construction Contracts Awarded

	Jan. 1932	Jan. 1931
P. E. I.		$ 20,000
N. S.	$ 92,400	86,000
N. B.	31,500	309,700
Que.	1,522,500	2,820,400
Ont.	949,600	6,347,100
Man.	39,700	229,500
Sask.	11,000	536,600
Alta.	50,600	1,139,900
B. C.	665,100	1,249,100
Total	$3,362,400	$12,738,300

This industry understands all the multifarious features in connection with building so well that he did not believe the steel industry would want to disrupt it, or could do so, even if it wanted to. The steel industry is attempting to do something easier, that is, to offer materials which can be fitted into the existing order of things.

Factoried House Unprofitable

"A fire-proof, shrink-proof and vermin-proof house can be built of steel," said Mr. Iden. It has been proved that such a house will cost but little more than a house of wood frame construction. In the most expensive of designs, steel framing has increased the cost of the house but 10 per cent and in one instance I know the increase in cost was but $25 in a house that sold for $20,000.

"The greatest expense is in labor at the site. Reduce the amount of labor and the time of erection and the cost of housing can be greatly reduced. Efforts have been made to accomplish this result by resorting to one of three methods: first, change the design and incorporate improved engineering principles in the construction; second, manufacture standard units, which can be incorporated in walls, ceilings and floors; and third, to manufacture the complete rooms or even the complete house and ship to the site.

"Very little evidence has been developed to support the idea that the factoried house is commercially practicable. Many proposals have been drawn up and discussed speculatively. Only the Steel Frame House Co., of Pittsburgh, actually attempted to manufacture a complete cottage, the Brisbane Cottage. No evidence has been offered to show that such an experiment was financially or engineeringly successful. Other companies are reputed to be experimenting with the idea but none of them has yet developed it to the point where factoried cottages or houses are actually offered on the market.

"Mass production has been stressed and it is insisted that houses could be produced in the way we now manufacture automobiles. No evidence has been offered to show, even though houses were factoried on the mass production principle, that it would be practical to market the out put. There has been no evidence that a distribution system similar to that used for automobiles, could be adopted to factoried houses."

Mr. Iden went on to say that it would be difficult to get a sufficiently large sale except in very densely populated districts to warrant the creation of local sales agencies. He felt that what might be saved in labor on the house in the factory might be spent in the cost of hauling and in lifting the completed structure to its foundations. He did think, however, that great savings might be made by the factory manufacture of standard units for walls and floors. Large floor units, stair units and wall slabs have been utilized and demonstrated as entirely feasible. The first efforts to substitute light rolled beams for floors and roof, with light channels or angles for uprights resulted in excessive costs for detailing and fabricating. Punching holes at standard distances reduced the cost of the framing in some cases, but did not bring it down to a really commercial basis. More recently framed units made of standard rolled sections or of formed sheets, or a combination of the two, were being tried.

One of the most noteworthy of the all-steel houses to be sponsored and completed is that by the American Rolling Mill Co. at Solon, ten miles from Cleveland, O. This house contains eight rooms, having an exterior finish of porcelain enamel shingles. Mr. Iden thinks its cost might be greatly reduced by eliminating the enamelled exterior. It was built to demonstrate the adaptability of sheet metal to low-cost home construction, and was not intended to produce a standardized type of dwelling. The idea was to demonstrate a method of construction which could be used to reproduce any type of architecture for the individual home, thus overcoming one of the strongest objections to the factory-produced house.

Steel Versus Wood

Mr. Iden felt that, though much of the work had been experimental, a sufficient number of steel-framed houses had been erected during the last decade to give a definite idea of what could be accomplished. He felt steel to be the most perfect building material ever provided, but admitted that it cost more than the cheap stuff hitherto put into houses. He thought its extra cost was offset by the fact that the house was shrink-proof, that it would not harbor vermin or termites and that it was fire-proof.

James Govan, consulting architect, Toronto, takes almost the opposite tack. He argues that the frame house can be erected just as fire-safe for ordinary building hazards as can be provided by using more expensive types of so-called fire-proof protection. His argument is that any worthwhile study of Canadian problems must be based on sparseness of population, enormous distances, available raw materials, severity of climate, rapidly changing conditions involving obsolescence in buildings and undesirability of saddling a small population with heavy carrying charges for large amounts of fixed capital. He describes the objective in the United States as apparently being to have whole buildings housing many families in small suites of apartments, built and assembled by large corporations just as they now put out motor cars. Their plants call for factory fabrication in units of the exterior walls, partitions, floors, roofs, doors and windows and simple assembling at the site where practically no surface finishing of any kind would be necessary.

Individuality Essential

While seeing the ingenuity of these plans Mr. Govan feels that Canadian general needs in housing are more individualistic and that the congestion of population that would call for a solution such as this only existed in very few places. Moreover, he felt that it has already been proven that in Canada the more commonly used methods of construction, with comparatively slight modifications, could build individual homes providing equal accommodation for about the minimum sum that the United States builders are aiming at. These homes would be built under existing building conditions and be more suited to Canadian climatic severities and social amenities. Already, he says, many of the economies of mass shop production have been embodied in Canadian construction to a limited extent. And more and more he feels that these methods will eliminate the greater part of the waste and overhead which, under present methods, limit anything like satisfactory housing developments to the middle classes, and leave out of the picture entirely those very many people who should not spend more than $2,500 for a home.

Cheap Frame Houses Available

Mr. Govan contends that a frame house can be built just as fire-safe for ordinary building hazards as by using more expensive types of fire-proof construction and that such a house can be heated with a plant less than half the size that would be necessary for the same house in so-called fire proof construction. He says that fire-safe frame houses of six good sized rooms and bathroom with front and back porches have been built in Canada for about $5,000 and kept comfortable throughout the whole winter where the outside temperature dropped to 40 deg. F. below zero, using less than $50 worth of American coal per season. He says that the builders of these houses calculate that they can build four room and bathroom houses with equal safety and comfort under the same climatic conditions for about $1,600. He feels therefore that there should not be any urging of the abolition of frame construction in favor of methods that would not come near duplicating these results either in comfort or economy. He feels that building by-laws are not wise when they decree that one can be perfectly safe behind an exterior cover of wired plate glass or a brick or concrete wall, but that nothing in between these extremes can be approved until some association of fire underwriters in the United States states that it meets their requirements.

Canadian mining and paper towns, which have been abandoned prove in his opinion that obsolescence should be a more serious consideration in building construction, and that the salvage value of the structure and facility of changing it externally and internally should have a high place in considering building materials. He asks what Canada is going to do with the millions of acres of land suited to the growing of timber, if Canadians are educated to believe that lumber has not a place in the building programme.

SECOND SECTION

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SECOND SECTION

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EXCHANGE LOSS MAY NOT REDUCE FOREIGN LOANS

Canadian Borrowers Must Depend on Other Markets For Some Time

CAN REFUND LOANS

Premium on U. S. Funds Wipes Out Small Gain Made in Selling Bonds Payable in N. Y.

Loss experienced by Canadian governments, municipalities and corporations having bonds outstanding that are payable in United States funds has brought to the fore the question of necessity or desirability of Canadian borrowers issuing bonds payable in other than Canadian currency. This action would obviate the necessity of borrowers having to pay a high premium for United States funds in order to meet their obligations and would avoid the possibilty of default through inability to meet heavy exchange costs. These costs have imposed a serious burden on many municipalities and provinces with bonds payable in United States funds and the action taken by the City of Calgary in refusing to meet maturities and interest due January 1 in other than Canadian funds is a culminating point.

Since September, 1931, the United States market has been practically closed to the flotation of new foreign bond issues and, with Canadian borrowers almost entirely dependent upon Canadian capital, extremely few new bond issues have been made payable in "United States gold coin of the present standard of weight and fineness" and in place of this phrase the promise is made to pay "in lawful money of Canada."

Get Better Price

In order to take advantage of the best market prospective borrowers formerly called for tenders on their new bond issues on the basis of principal and interest payable in Canada only and on the basis of payment in Canada and New York. As an example the City of Quebec called for tenders in April, 1931, on an issue of $1,457,000 4½ per cent debentures maturing May 1, 1961. Three bids were received for the issue on the basis of bonds payable in Canada only, while nine bids were received on a basis of bonds payable in Canada and New York. The high bid on the basis of Canadian payment was 99.569 cents per $1 of principal amount and the high bid on the bonds payable in two currencies was 99.672 cents. As a result, the city sold the bonds payable in both Canada and the United States and by so doing received $1,500 more than would have been received by selling bonds payable in Canada only.

Within the same week of 1931 that the Quebec City bonds were sold, Vancouver sold $3,667,733 of 5 per cent debentures payable in New York and Canada for $14,671 more than the highest bid entered for bonds payable in Canadian funds only. In October, 1930, Saskatoon sold an issue of $643,500 5 per cent debentures payable in Canada and New York on a bid of 99.907, which brought the city $1,608.75 more than the high bid on the same bonds payable in Canadian funds only. Calgary in the same month sold an issue of $1,675,000 5 per cent debentures on which five bids were received for debentures payable in two currencies and only one bid on Canada payment bonds. The difference between the high bid on New York payment bonds and the sole bid on Canadian payment bonds was $7,989 in favor of the former, which was accepted by the city.

If this Calgary issue be taken as an example it is readily apparent that with annual interest charges of $83,750 on the $1,675,000 of 5 per cent debentures an adverse exchange rate of 10 per cent for one year would more than wipe out the higher price the city received for bonds payable in New York or Canada. These bonds mature in 1960 and 1970, a term of up to 40 years during which time even a small discount on the Canadian dollar in terms of New York funds would show the city a substantially higher cost for its financing than was ever contemplated and should the city be unable to secure New York funds at or near par of exchange when the bonds mature the taxpayers must bear the additional burden or the city must undergo the stigma of default.

Another factor which enters into the sale of debentures payable in two currencies is the fact that the market for the borrower's bonds is widened and with a broader market bringing better demand the price received for a new issue is higher than would otherwise be the case. The actual benefits to a borrower would gradually accrue over a period of years and are somewhat difficult to trace, but once a municipality has established credit in New York it is no longer dependent entirely upon the Canadian market and might be able to raise new money when other municipalities dependent on one market only would have trouble in doing so at a reasonable cost.

Object to New York Loans

Arising from the heavy cost of paying exchange on obligations coming due in United States funds there has been voiced in many Canadian municipalities the demand that all future financing should be done on a basis of Canadian payment only and that cities should not obligate themselves to pay interest and principal in New York funds. It is pointed out that the Canadian dollar has been at a discount of over 10 per cent in terms of New York funds in 1920 and 1921 and during 1931 and 1932 and that the cost of servicing Canadian funded debts in New York during the past ten years has far more than offset the higher price secured on New York payment bonds.

Experienced investment men doubt that the situation that has prevailed during the past year and a half will have any general effect on future Canadian financing and point to the premium prevailing on New York funds during the post war years and the large volume of Canadian financing done in New York from 1924 on when exchange was near par.

It is not anticipated that Canadian capital will be sufficient in the next few years to supply the demands of Canadian borrowers who have a large volume of bonds maturing which must be refunded in addition to new capital which must be raised. Canadian bonds maturing in the five-year period, 1933-1937, and which are payable in United States funds, amount to more than $400,000,000 and it is stated that the refunding of these obligations in the United States will give substantial relief to the pressure on the Canadian dollar and will aid borrowers to raise new capital in Canada at a lower cost. It is also pointed out that bonds sold in the United States for purposes of raising new capital have in the past brought American dollars into Canada thereby helping to maintain the Canadian dollar at or near par of exchange to the benefit of the country as a whole.

U. S. Investors Want Gold Clause

It is deemed high improbable that Canadian borrowers could issue bonds payable in Canadian funds only and hope to sell these bonds in any quantity to investors abroad.

One of the prime requisites of a foreign bond is that principal and interest shall be paid in gold or its equivalent. This has ensured that the lender in one country would not have to take a loss on his investment because of adverse exchange rates that might prevail during the life of, or at maturity of, the bond, issued by a borrower in another country. The foreign investor is seeking security of principal and interest. Since gold or its equalent is paid for the bond the investor expects payment to be made in the same terms, otherwise a loss may be experienced and the investment will turn out to have been a poor one.

If for example, an American investor buys a Canadian bond at $1,000 and pays gold or its equivalent and at maturity the borrower refuses to repay principal in gold but tenders $1,000 of Canadian currency which is worth only $850 in the United States the bondholder has lost $150, or 15 per cent, of his original investment. This is what has happened in the Calgary case and the city has saved some $300,000 through refusing to tender United States funds. This saving to the city is a loss to the bondholders in the United States.

Exchange rates may fluctuate from parity due to adverse balance of international payments which will tend to change as the component factors of the total of payments between two countries changes from year to year. Inflation of a national currency also has the same effect and has become an important factor in exchange rates in recent years. The purchaser of foreign bonds for investment seeks to avoid the risk of loss through adverse exchange rates and currency inflation and therefore demands payment in gold or its equivalent. Bonds payable "in lawful money of Canada" may attract the investor in the United States who believes that the Canadian dollar will return again to par in terms of New York funds and is willing to speculate on exchange in hopes of a substantial profit when Canadian funds are no longer at such a discount in terms of United States funds.

Maturities Are Large

From a recent survey made by A. E. Ames & Co. the debenture debt of all Canadian municipialities is estimated closely at $1,323,094,066 of which only 23.8 per cent, or $314,945,200, is payable in United States funds, while 69.12 per cent is payable in Canadian funds and 7.08 per cent is payable in sterling. Canadian municipalities have a smaller proportion of debt payable in United States funds than has any any other class of borrower in Canada except the Federal Government, which has only 15.05 per cent of its direct obligations payable in New York, although 62.16 per cent of Federal guaranteed obligations are payable in that market.

By far the largest proportion of Canadian municipal debentures payable in New York consists of the obligations of a relatively few large cities and many of the principal cities in the Dominion have no obligations payable in United States funds. The small or moderate-sized municipal borrowers can usually find a market for their debentures with institutional or private investors in Canada.

The Dominion Government, with a funded debt of $3,597,962,050, direct or guaranteed, has 28.1 per cent of this total payable in United States funds, or an amount of $1,012,861,748. Of this total, due in United States funds, $391,040,900 is on account of direct obligations of the Federal treasury and $621,820,848 is on account of guaranteed obligations. The provinces, with direct obligations of $1,189,954,030 must pay 64.64 per cent of this total in United States funds, while the guaranteed obligations of the provinces total $221,842,605, of which 25.28 per cent is payable in United States funds. The funded debts of Canadian corporations is estimated at $1,427,215,481, of which 76.71 per cent is payable in United States funds.

Economic History Repeats Itself

Wisdom and Fallacy Down the Ages

* * * *

"THIS BLUNDERING CORPORATION" IN 1832

"After what we have proved respecting the pernicious action of the Bank of England on the currency of the country, and after the remarkable disclosures which we have quoted from the evidence of the Bank Committee, we may confidently conclude that the renewal of the Bank charter with its present exclusive privileges is impossible, and that this blundering corporation on its present footing must, at the meeting of next Parliament, be declared incapable of managing the money affairs of this great nation. The Parliamentary enquiry, though not carried to a conclusion, has been carried far enough to insure such a result. The Bank establishment, as the ruler of our circulation, stands self-condemned, and condemned by all the world."

—*The London Times, September 8, 1832.*

* * * *

"MADNESS OF THE CENTURY" 1832

Alexander Gueniot, a former president of the French academy of medicine, had an elaborate birthday party the other day. It happened to be his 100th birthday. On the day after he was born, in the late fall of 1832, his father wrote to an intimate friend: "The poor infant enters the world in very troubled times. Hardly seventeen years have passed since peace was restored to Europe (after Waterloo), and we still suffer cruelly from the effects of the war. I would like to see my son embracing the noble career of medicine, but I see quite well that he can not; one of the heads of the faculty has confided to me that this profession is literally invaded. And then, this madness of speed is wearing out men. Only yesterday I saw a postchaise tearing along. It makes one giddy! The horses were galloping at more than fifteen miles an hour. And every one wants his carriage! The streets of Paris are so congested that you must wait a long time if you wish to cross them. Madness of the century, my dear friend."

* * * *

"How much is a lettuce sold for? A penny, perchance. If anyone, then, will spend a penny, he shall have lettuce; but thou, not spending, shalt not have. But think not thou art worse off than he; for as he has the lettuce, so thou the penny which thou wouldst not give."

—*The Encheiridion of Epictetus (circa 100 A.D.)*

* * * *

The clipping from The Times of 1832 is sent in by H. Elphick, Vancouver. The reference to Alexander Gueniot was recently dug up by the New York Times.

BETTER POSITION FOR B. C. PACKERS IN CURRENT YEAR

Liquidated Carry-over and Curtailed Operations to Market Needs

From Our Own Correspondent

VANCOUVER. — Due to the liquidation of the previous season's carryover and the fact that operations this season were curtailed according to the requirements of a reduced world market, B. C. Packers expects to be in better condition at the close of the present fiscal year at the end of February than last year.

Last season opened with warehouses pretty well cleared of carryover, and under C. C. Thomas, managing director, a programme of economy was brought into effect in all departments of the company's activities during the 1932 season. Owing to market uncertainties and the fluctuations in currency, the company decided not to pack any more salmon than it had reasonable expectation of selling.

Pink Run Disappointing

Plans were disrupted to a certain extent by the failure of the pink run to materialize as expected. The actual run was about half the expected size.

Of a total B. C. salmon pack of all grades of 1,081,031 cases B. C. Packers accounted for 354,531 cases, about 15 per cent less than the proportion in former years.

About two thirds of the 1932 pack of the company has been disposed of at prices which have averaged about the same as in the previous year. The price of canned salmon is still low compared to pre-depression levels, there having been a decline of 50 per cent between the middle of 1930 and the end of 1931. Prices practically held their own last year. Whether the remaining one-third of the company's 1932 pack can be sold at 1933 price levels remains to be seen, depending on conditions in the world market. It is expected that there will be a sizeable carry-over at the end of the present fiscal year, with a fair possibility of its being disposed of before the 1933 pack enters the market.

HINDE & DAUCH BOND INTEREST EARNED IN 1932

Operating Loss of 1931 Changed to Profit — Bank Loan Paid

Economies effected in operating costs enabled Hinde & Dauch Paper Co. of Canada to show net operating profit of $205,818 in 1932 in contrast to net operating loss of $33,771 in 1931, although prices were lower in 1932 than in 1931. After provision for full depreciation of $180,948 and bond interest and exchange of $82,141 the net loss for 1932 was $57,271 against loss in 1931 of $298,466. Working capital position was strengthened and all bank loans were retired. Bond interest was earned 2.5 times before depreciation.

Sidney Frohman, president of the company, states that any return of volume would result in profitable operations at prices not higher than those of 1932. No statement is made as to the results of the new paperboard division started in Nov., 1932.

Income account of the company is shown as follows:

Income Account, Years Ended December 31

	1932	1931
Net operating profit ..	$205,818	*$ 33,771
Less: Depreciation	180,948	183,023
Bond int. & exch.	82,141	81,672
Net loss	$ 57,271	$298,466
Surplus forward	888,196	945,357

* Deficit.

Working capital has been increased to $422,410 from $386,722 and bank loans of $125,000 shown in 1931 no longer appear. In current assets, cash is up to $54,362 from $41,750; accounts receivable to $246,340 from $227,318, while inventories are down to $298,743 from $360,343 and cash surrender value of life insurance is shown at $20,988. Among current liabilities, trade accounts payable are up to $106,236 from $61,455; management expense to $56,500 from $33,083, while bond interest is down to $11,820 from $18,333 and unstated accruals are lower at $23,467. Working capital position is as follows:

WORKING CAPITAL POSITION AT DEC. 31

	1932	1931
Current assets	$620,434	$649,961
Current liabilities	198,023	263,239
Working capital	$422,411	$386,722

Slight decrease is shown in fixed assets which total $4,891,157 before deduction of depreciation reserve of $1,475,542. The latter item compares with reserve of $1,251,075 shown in 1931. Deferred charges are practically unchanged at $16,893, while Container Materials Ltd. is shown at $19,923. First mortgage bonds outstanding have been reduced to $1,289,500 from $1,363,500, while capital stock remains at $1,088,853 representing 299,933 no par common shares. Earned surplus is down to $888,196 from $945,357 and appraisal surplus is down to $608,292 from $678,630.

At the annual meeting, L. F. Winchell was elected vice-president and T. E. Lloyd was re-elected treasurer and director. M. H. McArthur, general sales manager, was elected director of the company, replacing Ralph King.

SOME IMPROVEMENT NOTED IN BUSINESS

Retail and Wholesale Trade Makes Better Showing, Reports Show

Weekly trade report of the Canadian Credit Men's Trust Association, for the week ending February 4, 1933, is as follows:

Halifax—Wholesalers report business fairly well maintained, a seasonal slackening reported in orders for knitted goods. Retail business below last year's volume, but fairly satisfactory. Markets for dried fish reported stronger. Canned lobster continues to move slowly. Coal production for the month considerably lower than that of previous year. Lumber industry continues in a depressed condition. Collections fair to slow.

Saint John—Wholesale trade report business somewhat under normal in all lines. Retail trade generally continues quiet. Collections poor.

Montreal—Wholesale trade report a fair volume in grocery lines, with a slight improvement in dry goods. Clothing and footwear lines remain very quiet; hardware, paints and builders' supplies also quiet. City and country retailers generally report trade for the week as quiet. Collections, both wholesale and retail, remain slow.

Toronto—Wholesalers in practically all lines report merchants' demands for the week as very limited. Trade generally continues very quiet. Lack of confidence in present outlook for next three months is very apparent. Collections slow.

Winnipeg — Manufacturers and wholesalers report no noticeable improvement in conditions over previous week. Groceries show fair volume; practically all other lines showing a rather poor turnover. Collertions fair to slow.

Regina.—Wholesale trade report fair turnover in grocery lines; dry goods and hardware, fair to slow. City retail trade generally continues pretty much the same with very little sign of improvement. Country trade very quiet. Collections:—wholesale, practically nil, except on current accounts.

Moose Jaw—General business conditions remain the same; wholesale boots and shoes quiet; wholesale and retail hardware quiet; wholesale and retail groceries fair. Collections fair.

Saskatoon—Wholesale grocery sales reported holding up fairly well although not up to last year's volume for the same period; boots and shoes very quiet; dry goods very slow—while this is the usual slack season, houses report sales considerably lower in comparison with last year's business; hardware fair; oils and greases fair to slow. Retail trade continues quiet. Collections quiet.

Calgary — With the exception of wholesale and retail groceries, all other lines appear to be moving very slowly. turnover being of a disappointing nature. Collections slow.

Edmonton — Volume reported by wholesale and retail grocery and produce houses holding up fairly satisfactorily; other lines very quiet.

Vancouver—Very little change reported in conditions over the previous week and trade generally continues very quiet. Winter weather is retarding the opening of industries, but as soon as the spring weather appears at least a seasonable improvement is anticipated. Collections slow to fair.

B. A. Oil Earned 1932 Dividends Reduced Loans

British American Oil Co. annual meeting on February 15 will consider a financial statement showing earnings equal to about $1 a share. In other respects the statement is not likely to have departed greatly from the situation shown at the end of September, 1932.

It will be remembered that at the special meeting of shareholders on October 31, 1932, to approve the issue of an additional $5,000,000 of 6 per cent debentures, an interim balance sheet as of September 30, 1932, was presented. Net profit for the nine months was shown at $1,926,305 as compared with dividend requirements for the entire year of $2,098,114 on 2,622,642 no par value common shares outstanding. The president stated that earnings from properties in Oklahoma and East Texas had been $500,000 in 1930, $800,000 in 1931 and more than half a million dollars for the first ten months of 1932.

Surplus account had the most interesting changes as revealed by that interim balance sheet. There then remained $6,619,000 after paying $1,573,000 in dividends, after accounting for the expenditure of $1,000,000 on new plant, after reducing bank loans by $600,000 and writing down leases and goodwill by $2,314,000 to $1. Debentures had been reduced by $150,000 and bank loans after the $600,000 deduction stood at $3,130,000.

TRUCKERS ASK FREIGHT TARIFF FOR ONTARIO

No Indication from Government That Legislation Will be Introduced

Strong hopes are entertained by officials of organized truck operators that publication and regulation of freight rates for public commercial vehicles may soon be introduced in Ontario. This may be done at the coming session of the provincial legislature, The Financial Post is informed, by representatives of truck operators. "We will be much disappointed if such action is not taken during the coming session," one automotive transport official told The Financial Post.

Hon. Leopold Macaulay, Minister of Highways for the province, has promised to give serious consideration to suggestions to this end presented to him by trucking officials and shippers' groups. However no indication that such regulatory legislation will be introduced during the coming session has been given by officials of the government or the Department of Highways.

A move to compel publication and stabilization of trucking rates in Ontario would be of importance to the whole of Canada. It would appear from Ottawa dispatches concerning the recent Dominion-Provincial conference that the Ontario system of truck and bus control may be adopted by other provinces. Thus, if rates are regulated in Ontario, similar legislation may be adopted throughout the Dominion. Such legislation it is said, would be a big step towards adoption of the Duff Commission's recommendations pertaining to commercial motor vehicle transportation.

The organized trucking operators of Ontario, through their body, the Automotive Transport Association, were among those signing a recent resolution which requested such regulatory legislation. This petition, which was presented to Mr. Macaulay, was also signed by the Canadian Manufacturers' Association, the Canadian Industrial Traffic League, representing shippers' traffic managers, the Board of Trade of the City of Toronto, and the Hamilton Chamber of Commerce.

Urged Compulsory Rates

Adoption for Ontario of a standard classification of freight was urged in the resolution. It was requested that when this had been done, operators of public commercial vehicles be compelled to file tariffs with the government for each class of freight. It was recommended that these rates, if approved by the Department of Highways, then become the charges which must be made uniformly for all hauling. They would, under the terms of the resolution, be subject to changes as circumstances warrant.

The Automotive Transport Association of Ontario felt that it would be desirable for the Government to set the rates and to make them compulsory for all operators, it is understood, but it seems that the province may not be anxious to take on this responsibility at present. The association is also understood to have favored placing the Department of Highways in control of the rates, but the Department is believed to feel such charges should come under the control of the Ontario Railway and Municipal Board or some special board created for the purpose.

Doubt as to Legislation

There is some doubt as to whether compulsory regulation as to rates will be introduced in Ontario at the coming legislative session. This doubt arises from the recent Dominion-Provincial conference at Ottawa at which it was decided to have each province answer a questionnaire on commercial vehicle transportation. It is understood that there may be an agreement between the provinces not to act independently on truck regulation in the meantime.

If and when rate regulation is adopted, enforcement will be a problem for the Government. Shippers and organized operators of public commercial vehicles have, however, promised to stand behind the province in the strict enforcement of regulations.

In the course of time it is thought that irresponsible carriers, who might violate the rate regulations, will be largely eliminated by cancellation of licenses. Difficulties of enforcement of regulations in some districts have already appeared. Vehicles licensed in Ontario to carry farm and dairy produce and livestock are understood to have carried other goods at times. Inspectors have difficulty in checking this abuse of the regulations which call for only a nominal fee on vehicles engaged in carriage of farm products.

Schedule Submitted

A schedule of proposed charges was submitted to the Minister of Highways in the resolution which was presented recently. This covers five proposed freight classifications. The five categories are based on Canadian freight classifications. Two plans for classifying freight were submitted. One was drawn up by the Canadian Manufacturers' Association and the other by the Automotive Transport Association of Ontario.

The chief difference in the two proposed classifications is that the operators' association averaged certain types of goods, while the C.M.A. followed the express classifications more closely. The proposed schedule provides for standard, special and competitive tariffs. The standard tariff must specify the maximum mileage tolls to be charged on every classification of freight. The competitive tariff is proposed for use between points where intensive competition makes frequent changes necessary.

The proposed standard tariff charges are shown in the following table in comparison with railway rates for first class freight:

Proposed Standard Tariff of Maximum Tolls for Public Commercial Vehicles in Ontario
(Per 100 pounds)

For official highway mileages:	Corresponding R.R. 1st Cl. rates Cents	Rates for different freight classifications 1st	2nd	3rd	4th	5th	Min.
Up to 15 miles	24	24	21	18	15	12	75
Over 15 and up to 20	25	25	22	19	16	12	75
Over 20 and up to 25	29	29	25	22	18	14	75
Over 25 and up to 30	32	32	29	25	19	16	75
Over 30 and up to 40	36½	36	32	27	24	18	75
Over 40 and up to 50	40	40	34	39	25	19	75
Over 50 and up to 60	43	43	37	32	27	22	75
Over 60 and up to 70	47	47	41	36	29	24	75
Over 70 and up to 80	50	50	45	37	32	25	75
Over 80 and up to 95	54	56	48	42	35	28	75
Over 95 and up to 120	58	62	53	45	38	30	75
Over 120 and up to 140	61½	67	59	50	40	33	75
Over 140 and up to 170	65	73	64	54	45	35	75
Over 170 and up to 200	68	78	67	58	48	38	78
Over 200 and up to 230	72	82	71	60	50	40	82
Over 230 and up to 260	75½	85	74	64	52	41	85
Over 260 and up to 290	79	89	78	65	55	44	89
Over 290 and up to 320	83	93	80	69	57	45	93
Over 320 and up to 350	86½	96	83	71	59	47	96
Over 350 and up to 380	90	1.00	87	74	60	49	1.00
Over 380 and up to 410	94	1.04	91	76	64	51	1.04
Over 410 and up to 440	97	1.07	92	80	66	53	1.07
Over 440 and up to 480	1.00½	1.10½	96	81	68	54	1.10
Over 480 and up to 520	1.04	1.14	98	85	70	56	1.14

Note—Between points where the short line railroad mileage is less than the official highway mileage the railroad mileage will govern.

Canada May Follow Ontario Truck Plan

Rate Regulation is Chief Need of Ontario to Conform With Duff Recommendations — Compulsory Third Party Insurance and Wage Control Lacking

Indications in recent Ottawa dispatches are that the Ontario system of truck control may be followed by other provinces. This is one of the possible results of the recent Dominion-Provincial conference. It is also indicated that the provinces are considering adoption of measures of truck control that will bring their administration into conformity with the recommendations of the Duff report.

An examination of the Ontario system of control, in conjunction with the recommendations of the Duff commission, shows that freight rate regulation is the chief omission in the Ontario regulations at present. Wage control and compulsory, third party insurance is also lacking. The following comparison of the Duff recommendations, with the extent of their application in Ontario at present, has been made by The Financial Post from information supplied by officials of the Ontario Department of Highways.

Duff Recommendations

Recommendation 1.—Schedule of rates and charges should be published.

No such control exists in Ontario at present. Truckers' and shippers' organizations have urged adoption of rate tariffs. No indication has been given by the province of any intention to legislate to this end at the coming session.

Recommendation 2.—That within prescribed schedules, common carriers of freight should accept and carry what is offered to them without discrimination between customers and commodities.

At present there is nothing in the Ontario regulations to prevent such discrimination, which is said to be one of the evils of the truck transport business. This condition will be corrected, officials believe, when and if rate tariffs are introduced and made compulsory.

Recommendation 3. — Operators should be insured against all risks, including third party risks.

Ontario requires operators of public commercial vehicles to insure against damage to cargoes only. This amounts to $2,000 on all classes of vehicles, except on those engaged in carrying farm products. On the latter the insurance required on each vehicle is from $500 to $1,000, depending on the gross weight from five to ten tons.

Financial Responsibility

In addition to the cargo insurance regulation, there is a financial responsibility provision in Ontario for all types of motor vehicles, which applies to commercial carriers. In case of an accident, and consequent property or personal damage, the operator is required to show that he, or his insurers, are financially capable of looking after claims for damages. The majority of responsible carriers in Ontario are covered by insurance against third party risks (public liability and property damage) but this is optional, not compulsory.

Recommendation 4.—Operators should keep accounts on a prescribed system and render returns to appropriate public authority on a common basis.

There is no requirement of this nature now in force in Ontario. Officials believe that this would be bound to follow if rate regulation were enforced. It is pointed out that such accounting would be essential to settle disputes and claims, and to compel observance of the rate structure.

No Wage Control

Recommendation 5. — Minimum standards in regard to working conditions, including wages and hours of labor, should be required.

There is no control of wages in Ontario for truck operators. Ten hours in each 24 is the maximum which drivers are allowed to work. The Department of Highways indicates that this regulation as to the hours of labor is difficult to enforce.

Recommendation 6.—In the interests of the safety of the public, a standard of fitness should be required of all operators in regard to their vehicles.

Provisions covering the mechanical fitness of all vehicles are now in force in Ontario. Vehicles are required to be inspected irregularly, but must be in good condition at all times.

Recommendation 7.—Due regard should be had to the preservation of road surfaces, and, to this end, restrictions should be imposed upon the size and weight of road vehicles in accordance with the type and character of the highway.

Width, weight, speed and general traffic conditions, as pertaining to trucks, are controlled in Ontario under the Highway Traffic Act. However, there has been little uniformity in regulations of this kind in the different provinces.

It can be seen from the above that rate regulation would probably bring the Ontario system of control into conformity with three of the Duff suggestions, namely, one, two and four. Two of the Duff recommendations, six and seven above, are already in full effect in Ontario. The other two, concerning working conditions and insurance, are effective in part. Compulsory insurance against third party risks and wage control would bring these two recommendations into full effect.

Charges For Licenses

The question of amounts to be paid for licenses was also mentioned by the Duff commission. It was recommended that serious attention be given "to the institution throughout the Dominion of a uniform system of licensing." In addition it was suggested that taxation of road motor vehicles, including gasoline taxes, should constitute a fair share of the cost of maintaining the highways. Two-thirds of highway costs in urban centres, and more in undeveloped districts, was suggested as a fair proportion. It was also suggested that taxation fall with the greatest severity on heavy, long distance traffic.

The Ontario viewpoint of these latter suggestions appears to be that trucks are now paying as much as is reasonable of their share of highway costs in the province, judging from recent remarks by Mr. Macaulay.

Buses Satisfactory

Little difficulty has been experienced by the Department of Highways, it is understood, in regulating wages and carrying rates for buses. The big bus operators are large firms and their employees are subject to union conditions, and this has made the task easier. The busses pay heavier fees than trucks, but get greater protection in the form of their yearly permits for certain routes. Irresponsible bus operators have been eliminated over a period of several years, through failures, cancellations of permits, etc.

Regulation of truck rates and wages would be more difficult, officials indicate. There are more operators for one thing. However the number is being cut down gradually as it was in the case of buses. In 1928 all operators were given licenses, it is understood, and the result has been that since that time there has been a substantial proportion of less responsible persons in the commercial carrying business. Unless failure of service, to the detriment of the shipper, is proved against inefficient operators, the department cannot refuse to renew their licenses from year to year. However officials of the Department of Highways indicate that the quality of the operators is improving as time goes on, and it is hoped that regulation of trucks will eventually come to be as satisfactory as that of buses.

CLEAR-CUT POLICY IS EXPECTED SOON ON SOVIET TRADE

Barter Discussion is Expected to Clarify Government Position

NO RESTRICTIONS

But Terms of Present Federal Embargo Must be Respected — No Subsidy

From Our Own Correspondent

OTTAWA. — The Soviet cattle deal promises to accomplish one worth while result—the clarifying of Canada's trade policy with respect to Russia.

Unless the cattle syndicate can muster sufficient financial backing to carry the deal through without assistance from Ottawa, there appears very little prospect of the proposition becoming more than a political issue.

In his statement in the Commons last week, Prime Minister R. B. Bennett referred to one member of the syndicate as having put up the money to cover the expenditures to date. This member is J. H. McDonald, well known grain man of Winnipeg. Mr. McDonald is a grain trader, not a livestock man, and his interest in the syndicate is believed to be purely financial.

G. G. Serkau, nominal head of the syndicate, is believed not to be largely interested financially, except that he would participate in any profit that might result.

Limited Import Barriers

Mr. Bennett's statement, plus the reply of the syndicate and the unexpected discussion in the Commons Friday night, indicates that the matter will be of great political interest both in and out of Parliament until the Government announces a definite trade policy.

Mr. Bennett's statement strongly indicates that the position which the Government intends to take will be substantially as forecast in The Post January 28. The government will declare that any citizen of Canada is free to trade with Russia provided the terms of the existing embargo on anthracite coal, dressed furs, asbestos, wood pulp, pulpwood lumber and lumber, are not invaded, and providing the trade can be financed without Government assistance.

No Final Pledges

The government practically came to this position Friday night when the cattle deal provided a lively discussion on Trade and Commerce estimates. But neither Hon. H. H. Stevens, nor Hon. E. B. Ryckman, Minister of National Revenue, would pledge the administration not to erect additional barriers to Russian trade from time to time.

As the opposition pointed out, little private capital can be attracted to this field of trade until the government's policy on Russian trade is clarified. In recent years the government's position has been most uncertain.

Two years ago when the proposal to exchange agricultural implements for coal was under consideration, the government, through Hon. E. B. Ryckman, issued a statement dealing with Russia. The statement was published February 27, 1931, and read:

"The government is convinced that there is forced labor in the cutting and transport of timber and the mining of coal, that political prisoners are exploited, that the standard of living is below any level conceived of in Canada and that, broadly speaking, all employment is in control of the communistic government which regulated all conditions of work and seeks to impose its will upon the whole world. This is communism, its creed and its fruits, which we as a country oppose and must refuse to support by interchange of trade."

Russia's Complete Embargo

At the same time the limited embargo was imposed, which was followed April 19 by a complete embargo by Russia upon Canadian products.

The Serkau syndicate, it is believed at Ottawa, has proved the willingness of the Moscow government to modify or withdraw the embargo against Canada. Whether the Bennett government is prepared to withdraw or modify the embargo against Russia is regarded in some quarters as doubtful, but reliable information obtained by your correspondent from cabinet sources is to the effect that this embargo will stand.

The Serkau syndicate, meantime, has changed its position. The application for government financial support has been withdrawn, but it is understood the withdrawal is more apparent than real. The syndicate probably believes that once the purchase of Canadian cattle can be got underway, political pressure on the government will be more easily exerted.

The syndicate is holding to the coal item in the proposed exchange of products. The Serkau memorandum called for deliveries of anthracite beginning April, 1933 in a volume of from 3,000 to 20,000 metric tons per month over the term of the contract—or until the cattle are paid for. This might involve acceptance of 240,000 tons of Soviet anthracite.

Ask Special License

The syndicate desires the government not to modify the embargo but to issue a special license for this coal.

As the matter now stands, the syndicate has resumed negotiations, informally, with the government, requesting a definite statement of policy to the effect that imports of anthracite will be permitted and that no additional barriers will be erected against Russia during the life of the cattle transaction.

The government is unlikely to accede to this request.

Rudd Company Expands Westward

The Rudd Manufacturing Company, Limited, of Brantford, Ont., engaged in the production of bee-keepers' supplies, has opened a western branch in Winnipeg to serve the territory from the head of the lakes to the Rockies. The increasing popularity of apiculture throughout the West is the cause of this move.

Insurance for Buyer and Seller

BUSINESS IN FORCE OF GREAT WEST NOW $580,000,000

New Business Drops But Surplus Earnings Maintained

Surplus earnings of $2,795,270 over and above the amounts required for profits to policyholders and dividends to shareholders, were reported by the Great-West Life Assurance Co. for 1932, according to statements made at the company's annual meeting this week. Of this surplus, $2,000,000 was appropriated to write down ledger and other assets; $500,000 was added to contingency reserves and the balance of $295,269 was added to free surplus.

New business issued during the year showed a sharp decline, the total of $46,653,000 being approximately 23 per cent below the corresponding figure for 1931. Total business in force at the end of the year was $580,537,000 as compared with $616,536,000 at the end of the previous year.

Changes in assets is largely confined to an increase in holdings of Canadian Government bonds and a decline in mortgage investment. Policy loans, in common with the experience of most companies, are higher by $1,500,000. Analysis of the company's investment portfolio discloses that 34 per cent of the company's investments are in bonds and debentures; 23.3 per cent in city mortgages and properties; 22.7 per cent in policy loans; 18.5 per cent in farm mortgages and properties; .4 per cent in stocks and 1 per cent in cash and miscellaneous.

Bonds, debentures and stocks have been carried in the balance sheet at a valuation appreciably lower than that authorized by the federal insurance department, it was pointed out by George W. Allan, K.C., president of the company, while mortgages and properties have been written down by a substantial amount. This course was followed in preference to retaining original book values and making a corresponding increase in contingency and reserve or surplus.

Comparative figures for leading items are as follows:

New Business	1932 $	1931 $
New bus. issued....	46,653,380	60,842,657
Ins. in force	580,536,809	616,536,322
Income and Disbursements		
Prem. income	19,037,803	20,195,141
Interest and rents..	6,044,709	6,248,940
Payments to policyholders & benefic.	21,219,316	16,498,950
Assets and Liabilities		
Bonds & debs.	43,277,092	41,486,629
Mortgages:		
Urban	27,628,106	29,516,695
Farm	19,312,573	20,338,526
Agree. of sale ...	3,492,263	2,980,231
Policy loans	28,817,518	27,378,786
Total assets	135,738,365	135,571,241
Policy reserves	108,012,098	106,650,657
Conting. res.	3,000,000	2,500,000
Surplus	2,130,504	1,835,235

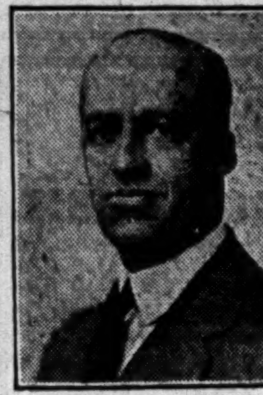
Federal Fire Co. Finds House Fire Losses Heavy

A large increase in dwelling house losses, particularly in smaller towns and villages, is causing some concern in the fire insurance business, and the Federal Fire Insurance Co. of Canada has had to stand its share of this loss, W. H. Buscombe, secretary of the company, told The Financial Post this week. During 1932 there was a moderate increase in premium income, but other than the dwelling house losses already referred to, the year was without any outstanding feature. No specific figures as to premium income and losses could be obtained from the company by The Financial Post.

Assets of the company show a slight increase from $421,000 to $437,000, bonds and debentures, not in excess of market value amounting to $354,000 compared with $335,000 in 1931, while stocks are listed at the June 30, 1931, market value of $25,300. The increase in the reserve for unearned premiums of $7,000 to a figure of $156,600 indicates the slightly larger volume in premium income. Surplus is also increased by $7,000 to a figure of $142,480.

A dividend of $1.25 per share was declared on the $125,000 capital stock of the company.

Monarch Director



JOHN A. FLANDERS

Winnipeg real estate and mortgage investment man, who has been elected a director of the Monarch Life Assurance Co. Mr. Flanders is also a director of the Home Investment & Savings Co. of Winnipeg.

ONT. EQUITABLE BUSINESS IN FORCE TOTALS $46,700,000

Company Reports Improved Earning and Asset Position

Increased assets and additions to investment reserve and surplus are reported by Ontario Equitable Life & Accident Co. in its annual report for 1932. Total business in force was lower by approximately $4,600,000 at $46,700,000.

Improvement in the company's investment position is indicated by an increase in investment reserve of $45,000 and a slight gain in free surplus. This was achieved after eliminating entirely from the balance sheet an item of $267,000, which appeared in last year's statement as "borrowed money" and which represented at one time an amount considerably over $800,000. This is money which the company had formerly borrowed from its bankers to reinvest at a higher rate of interest. This loan has now been paid off entirely, it is understood. Provision was also made for a loss of $26,512 on investments sold, for write-downs on mortgages and interest where losses seemed likely, and after having made provision of $112,000 for securities in default.

Mortality was 47.8 per cent. of the expected, and the net rate of interest earned on invested assets was 5.74 per cent.

Total assets are higher at $8,238,500 the major item being mortgages taken in at $3,419,760 and bonds and debentures at $2,279,000.

New Business	1932 $	1931 $
New ins issued† ...	......	7,119,296
Bus. in force	46,700,028	51,855,672
Assets and Liabilities		
Mortgages	3,419,760	3,567,111
Bonds & debs.*	2,279,464	2,391,699
Policy loans	1,401,795	1,257,731
Total assets	8,238,516	8,125,140
Stat. reserves	7,209,000	6,846,054
Investment res. ...	170,000	125,000
Surplus	61,564	54,223

*At amortized book value (less deficiency of market value under book value of those in default). †And revived.

LARGE VOLUME MUTUAL BUSINESS ON OLD CLIENTS

Mutual Life of Canada Agents Now Total 1,154 — Assets Analyzed

By Staff Editor

WATERLOO. — Mutual Life of Canada wrote 46 per cent of its total 1932 volume of business on the lives of persons already holding policies in the company, according to figures submitted by general manager W. H. Somerville at the sixty-third annual meeting held here last week. Of total number of policies written, 36 per cent were written on lives of old policyholders, he stated. The company's total agency force now comprises 1,154 men and women distributed throughout 42 agencies throughout Canada, with one agency in St. John's, Newfoundland, he pointed out.

Analyzing the company's assets, Mr. Somerville noted that while total assets increased during the year by $6,350,000, the company's holdings of Canadian Government and municipal bonds increased over $4,773,000, while loans to policyholders were higher by $3,300,000.

Mortgages Analyzed

Mortgages and sales agreements were $1,600,000 less than a year ago and constituted 32 per cent of total assets. Of the total sum of $42,329,000, 78 per cent are in urban property and 21.7 per cent on farm properties, the latter part being for the most part in Western Canada. Interest on city loans, it was stated, has been met in a satisfactory manner, the amount of overdue interest thereon being .61 per cent of the principal sum invested. "Similar remarks to those of a year ago may be made respecting mortgages and sale agreements on farm properties in Western Canada," said Mr. Somerville. At that time, R. O. McCulloch, president of the company, pointed out that overdue interest on total mortgage and sale agreements (including urban properties) was 2.66 per cent.

As to reserves against possible losses on farm mortgage investments, Mr. Somerville observed that the company's reserves were adequate to provide for any mortgage claims in excess of 70 per cent of a recent valuation of the properties on which the security rests.

MONARCH LIFE BUSINESS IN FORCE NOW $56,347,000

New Business Down 18 Per Cent But Assets Higher

An increase in assets after writing down values of securities held to $23,000 below values authorized by the federal insurance department, is reported by Monarch Life Assurance Co. in its annual report for 1932. Total assets now stand at $10,692,000, of which $5,565,000 is in mortgages, $1,387,000 is in bonds and debentures and $2,167,500 in policy loans.

New business issued and revived during the year was lower than in 1931 by 18 per cent at $7,965,000, while total business in force at the end of the year was down nearly $5,000,000 at $56,347,000.

Investment Reserve Up

Investment reserve was increased to $150,000, while free surplus was slightly lower at $416,000. Mortality experience was again reported as favorable, death claims in 1932 being 32 per cent of expectation, while expenses were lower by $28,909.

Comparative figures for the past two years follow:

New Business	1932 $	1931 $
New bus. issued* ..	7,964,897	9,694,339
Ins. in force	56,346,809	61,148,205
Income and Disbursements		
Premium inc.	1,581,743	1,630,152
Int. & rents	562,136	472,257
Paid to policyholders & benefic.	1,186,859	983,821
Assets and Liabilities		
Bonds & debs.	1,387,030	1,293,712
Mortgages	5,565,377	5,695,235
Policy loans	2,167,509	1,919,605
Total assets	10,692,563	10,873,408
Policy reserves	9,165,870	8,861,636
Invest. reserve	150,000	128,921
Free surplus	416,004	446,214

*Includes renewals.

SASKATCHEWAN LIFE MAINTAINS VOLUME

Business in Force at End of Year Totalled $10,117,652

New business issued of $1,522,678 as compared with $1,562,869 in 1931 is reported in the annual statement of the Saskatchewan Life Insurance Co. for 1932. Total business in force is now $10,117,652 against $10,481,429 at the end of last year.

In spite of a heavy demand for cash surrenders and policy loans the company reports that income was maintained at only slightly less than the corresponding figure of a year ago. Assets show a slight increase and amount to $2,241,000. The chief item is first mortgages which are shown at $882,000. Bonds and debentures are valued at $359,000 and policy loans have increased from $638,000 to $692,000.

Investment reserve which a year ago was $50,000 has been increased to $115,685, while total surplus and reserve funds are higher at $458,663 against $427,000 at the end of 1931.

With a view to effecting economies the company has made a moderate reduction in shareholder dividends and has substantially reduced its expense ratio. Total expenses for the year were lower by over $22,000 at $129,213.

At the company's annual meeting on January 24, directors were re-elected without change. C. M. Willoughby is president and M. B. Farr general manager.

Comparative figures for the past two years follow:

New Business	1932 $	1931 $
New ins. issued	1,522,678	1,562,869
Bus. in force	10,117,652	10,481,429
Income		
Income (premiums & interest)	348,000	383,000
Assets and Liabilities		
Bonds & debs.	359,000	389,979
Mortgages	882,000	914,537
Policy loans	692,000	638,049
Total assets	2,241,000	2,197,079
Stat. reserves	1,624,525	1,588,249
Inv. reserve	115,685	50,000
Total surplus & res.	458,663	427,078

PERFECT RECORD DURING FIRE WEEK FOR 22 CITIES

Kenora and Galt Again Lead Ontario in Class "C"

There were 22 cities in Canada which had a record of no fires for three weeks, before, during and after, Fire Prevention Week, results of the inter-city fire prevention contest in Canada and sponsored by the National Fire Protection Association reveal. Cities are divided into three classes, none of those in "A" class (over 100,000 population) finding a place in the above total.

Cities of less than 25,000 population provided the keenest competition. In Ontario, Kenora and Galt have an enviable record, the former leading the province for the fifth consecutive year and the latter taking second place for the fourth year. Owing to this circumstance, a new rating was evolved for these two cities and St. Thomas became the winner of the crown.

The complete record of the standing of all groups is as follows:

Fire Prevention Competition Results

Class "A" (100,000 and over)

		Winning City
British Columbia	1	Vancouver
Manitoba	1	Winnipeg
Ontario	1	Toronto
	2	Hamilton
	3	Ottawa
Quebec	1	Quebec

Class "B" (25,000 to 99,000)

Alberta	1	Edmonton
	2	Calgary
British Columbia	1	Victoria
New Brunswick	1	Saint John
Nova Scotia	1	Halifax
Ontario	1	Kitchener
	2	London
	3	Fort William
Quebec	1	Outremont
	2	Westmount
	3	Three Rivers
Saskatchewan	1	Regina
	2	Saskatoon

Class "C" (Under 25,000)

Alberta	1	Lethbridge
British Columbia	1	Trail
	2	Nelson
	3	NewWestminster
	*	Prince Rupert
	*	Nanaimo
Manitoba	1	St. Boniface
	2	Portage La Prairie
	3	Brandon
New Brunswick	1	Fredericton
Nova Scotia	1	Sydney
	2	Sydney Mines
Ontario	†	Kenora
	‡	Galt
	1	St. Thomas
	2	Peterborough
	3	Oshawa
	*	Sudbury
	*	Owen Sound
	*	Guelph
Quebec	1	Shawinigan Falls
	2	Joliette
	3	Magog
Saskatchewan	1	Prince Albert
	2	Yorkton
	3	Swift Current
	*	North Battleford
	*	Weyburn

* Honorable mention.
† Five star.
‡ Four Star.

GUARANTEE CO. CUTS EXPENSES; NET SHOWS GAIN

Surplus Higher After Payment of 32 Per Cent on Stock

From Our Own Correspondent

MONTREAL.—Due to a sharp reduction in total expenditures, net profit of Guarantee Co. of North America in 1932 showed an increase over the previous year. After payment of dividends and bonus at the regular rate of 12 and 20 per cent respectively there remained a surplus of $31,128 compared with $6,168 in 1931.

Total income was $715,677 against $744,346 in the preceding year. Underwriting and reinsurance costs were higher while losses paid totalled $146,515, an increase of $22,000. Profit and loss items, however, showed a drop of $80,000 and total expenditures were $587,077, a decrease of $53,000. Net profit was $128,600 compared with $103,640 and dividends and bonus were unchanged at $97,472. After provision for depreciation of real estate, dividend payments and transfer of $50,000 to investment reserve fund, surplus to shareholders was increased by $10,323 to $2,881,991.

Income And Expenditure

Following is a comparison of income and expenditure for the past two years:

	1932 $	1931 $
Premiums	483,075	500,606
Int. and rents	232,602	243,740
Total inc.	715,677	744,346
Deduct:		
Underwrit.	284,960	279,680
Re-ins.	89,501	86,065
Losses paid	146,515	124,203
Inv. exp.	51,281	56,404
P. & L. items	14,819	94,352
Total exp.	587,077	640,706
Balance	128,600	103,640
Div. & bonus	97,472	97,472
Surplus	31,128	6,168

Investments Are Steady

Balance sheet shows cash up $50,000 at $335,492. Securities, based on insurance department valuations, show a depreciation of $9,092 and are carried at $3,648,365 a decrease of $9,530 compared with the previous year. Real estate is down $6,000 at $246,326.

In liabilities, unearned premium reserve is lower by $10,000 at $210,084 and claims are down $17,000 at $170,276. Reinsurance and investment reserve fund has been increased by $50,000 to $550,000 and surplus to policyholders totals $3.186,591.

Insurance Inklings

JAMES COLOSIMO, has been appointed local manager of the Prudential Life Insurance Co., at Fort William, Ont., succeeding B. Y. Youden. Mr. Colosimo has been associated with the Prudential Life in Fort William for a number of years.

TORONTO LIFE UNDERWRITERS' ASSOCIATION will hold a one day sales conference on Feb. 23 this year. This conference will take the place of the two-day educational conference held in former years. Particulars of speakers and the programme for the day have not yet been announced.

E. M. MORRIS & CO. has been formed in Toronto to conduct a general insurance and mortgage business from offices in the Sterling Towers, 372 Bay Street.

Canadian Auto Prices 25 p.c. Over U.S.A. Lists

Spread in Factory Prices Averages 38 Per Cent—Ford Remains Cheapest Car in Canada—Willys Has Cheapest Sedan

Canadian motorists pay, on the average, about 25 per cent more for their automobiles than those of the United States, a survey of 1933 prices, made by The Financial Post, reveals. Based strictly on factory list prices the proportion is considerably greater, only Ford among the popular makes being listed in Canada at a price increased less than 35 per cent over the United States factory price.

Using the four-door sedan model as a comparative base, Canadian factory prices are greater than those prevailing in the United States by amounts varying all the way from 25 to 55 per cent. No allowance has been made in these comparisons for equipment or extras, the standard four-door sedan being used in each case. Comparisons, therefore, must necessarily be approximate as refinements vary with different makes. In the following table all cars having a factory list price under $1,000, for which comparative data are available, are shown. Cars listed below accounted for more than 75 per cent of total automobile sales in Eastern Canada in 1932.

Automobile Prices in Canada and United States
(Listed in order of factory price of cheapest model)

	F.o.b. Factory Price of Cheapest Model Can.	U.S.	4 Door Sedan Can.	U.S.	% Incr.
Ford 4	$515	$410	$680	$540	25.9
Ford 8	575	460	740	590	25.4
Willys 4	595	395	660	445	48.3
Plymouth 6	675	495	750	545	37.6
Chevrolet 6	690	485	785	565	38.9
Terraplane 6 ..	715	425	785	565	38.9
Dodge "DQ" 6 ..	730	..	800	..	..
Rochne 6	795	585	845	615	37.4
Pontiac 8	885	585	975	695	40.3
Willys 6	..	595	945	670	41.0
Dodge "DP" 6 .	895	595	915	670	35.8
De Soto 6	975	695	1,185	765	54.9

Spread in Prices

Ford has no rival in this comparison of factory prices, both the 4-cylinder job and the 8-cylinder car selling in Canada at a price increased by less than 26 per cent, Dodge in second place showing an increase of 35.8 per cent. DeSoto, the most expensive car in this field, shows the largest spread from the United States price, the increase being 54.9 per cent, while the Willys 4 is not far behind with a spread of 48.3 per cent. With the above exceptions, all automobiles show a spread of approximately 38 per cent between the United States and Canadian prices.

Of those cars which have no exact replica in Canada, the Continental 4 is probably the most important due to the fact that it has undersold Ford. While the same engine unit has been used in the Frontenac 4 produced in Canada by Dominion Motors, no attempt has been made to compare the prices as body manufacture and finish are not comparable.

While the Canadian motorist appears to pay an average of about 40 per cent more for his automobile than his prototype in the United States, this spread is generally narrowed somewhat owing to plant locations in Canada being closer to the main market. Despite a six per cent sales tax in this country, delivered prices in Toronto, the Canadian centre of the market, show a smaller increase over factory prices than delivered prices in New York, one of the largest United States' centres.

Although the Ford factory is probably the farthest from Toronto of any in Canada, the Ford 4 sedan, the factory list price of which is $680, sells in Toronto for $810, freight, sales tax and license paid, while the same car, listed in Detroit at $540, sells in New York for $697 complete. The difference between the delivered prices is therefore $113 compared with a difference of $140 in the factory list prices. The Toronto motorist thus pays 16.2 per cent more than the New York one, compared with a difference in factory list prices of 25.9 per cent.

There are a few makes of cars which can sell in New York with a smaller addition to list price than the Ford, the Willys 4, for example, adding only $108 compared with Ford's $157, but the same condition exists in Toronto on account of the proximity of the plants of General Motors, Willys-Overland and Dominion Motors.

Ford Still Cheapest

Despite new competition in the low-priced field Ford's 4-cylinder roadster, at its 1932 price, remains the cheapest automobile in Canada, a survey of 1933 prices reveals. Although two makes of automobiles in the United States have models which undersell the Ford 4 roadster, traditional base of the automobile industry in North America, the Canadian models of these cars at 1933 prices are higher than that of the Ford 4 roadster at its prevailing price throughout 1932.

One automobile which undersells Ford in the United States, the Continental 4, is not manufactured in this form in Canada. The Frontenac 4 of Dominion Motors, which uses the same power unit, is not entirely comparable and its cheapest model sells for approximately $100 more than the Ford roadster. The other car which has usurped Ford's time-honored position in the United States is the Willys 4. As far as Canada is concerned, however, there is no model of this car having a factory price lower than Ford's lowest, but a comparison of factory prices of four-door sedan models shows Willys to have the cheapest model of this type in Canada.

WATERLOO MUTUAL BETTERS LOSS RATIO

Seventieth Annual Statement of Cash Mutual Shows Premiums $311,000

Net premiums written of $311,368 are shown in the 70th annual statement of the Waterloo Mutual Fire Insurance Co. Corresponding figure for 1931 was $309,636. The company reports 42,165 policies in force for a net amount at risk of $70,004,517. At the end of 1931, business at risk was $73,662,000.

Net premiums earned in 1932 were $322,557 with net losses paid of $235,702. Ratio of losses paid to premiums earned was therefore approximately 73 per cent as compared with a corresponding ratio a year ago of 87.1 per cent.

Total assets as at December 31, 1932, were $1,545,459, of which $1,421,935 is represented by bonds and debentures at amortized book value. This figure is after deduction of $70,000 for reserve against bonds and debentures in default. Surplus is shown at $1,258,594 as against $1,281,478 a year ago.

According to Arthur Foster, managing director of the company, business written in 1932 was actually greater than a year ago but cancellations were heavy due to the continuance of depressed conditions. Of total business on the company's books about half is urban and the other half farm risks. Farm business, Mr. Foster points out, used to be approximately one-third of total income and now represents less than one-quarter. In 1932 farm losses continued heavy, according to Mr. Foster, while urban losses were normal.

Wellington Fire Reports Good Year

Wellington Fire Insurance Co. ended a satisfactory year on December 31, 1932, according to W. H. Buscombe, director of the company. While no figures are available at the present time, The Financial Post was informed that premium income had increased over 1931, this being particularly true of the automobile insurance written by the company.

Some idea of the increase in premiums written can be obtained from the balance sheet of the company, reserve for unearned premium at 80 per cent being $189,518 in 1932, compared with $175,997 in the previous year. Total assets were $572,160 compared with $511,767 in 1931, while surplus increased from $177,148 in 1931 to $196,008 in 1932.

Bonds and debentures held by the company at book value, which is stated not to be in excess of market value, amounted to $439,593 in 1932 compared with $419,125 in 1931. Cash on hand was largely increased to $54,048 from $20,121. Stocks held by the company are shown at $26,100, the same amount as in the 1931 balance sheet when this was recorded as the market value at June 30, 1931.

A dividend of $2 per share was declared for the year on the $150,000 of capital stock of the company. W. H. Buscombe was elected a director of the company, and J. G. Hutchinson was appointed treasurer.

WEST. EMPIRE LIFE ISSUES STATEMENT

Business in Force of Winnipeg Company Now Totals $9,471,930

Total insurance in force for the Western Empire Life Assurance Co. at the end of 1932 is reported as $9,471,930, according to the company's annual statement. This compares with a corresponding figure of $10,935,109, at the end of 1931.

Total assets are said to exceed $2,000,000 with policy and special reserves at $1,505,564. Premium and interest income at $350,000 as compared with $362,000 a year ago while total payments to policyholders and beneficiaries were $193,275—a substantial increase from the corresponding figure of $77,000 in 1931. Operating expenses were substantially reduced the company reports.

The board of directors was re-elected with R. W. Craig, K.C., president; Brigadier-General Dyer, vice-president; and F. C. O'Brien as general manager.

Total of $855,361 in Hail Premiums

Hail insurance in Canada concluded a satisfactory year in 1932 with a loss ratio of 35.67 per cent, figures quoted by the secretary of the Hail Underwriters' Association at their annual meeting at Winnipeg, reveal. Premiums written by 49 companies writing hail insurance in western Canada amounted to $855,361 while losses incurred were $305,140.

Premiums and losses were divided between the provinces as follows: Manitoba, premium, $73,976; loss, $21,094. Saskatchewan, premium, $464,709; loss, $171,977. Alberta, premium, $316,676; loss, $112,069.

F. L. Thornton, of Regina, was elected chairman for the coming year. Other officers elected were: vice-chairman, W. J. Scrimes, Winnipeg; secretary-treasurer, H. H. Campkin, Regina.

A Sound Position . . . .
Maintained and STRENGTHENED

Balance Sheet, December 31, 1932

ASSETS

Real Estate:		
Office Premises	$205,990.17	
Other (Held for Sale)	58,515.94	
		$ 264,506.11
Mortgages on Real Estate		3,419,760.22
Agreements for Sale		73,299.24
Loans on Collateral		30,000.00
Policy Loans		1,461,794.52
Bonds and Debentures at Amortized Book Value (Less Deficiency of Market Value Under Book Value of Those in Default)		2,279,463.62
Stocks at Market Value		77,834.00
Cash on Hand and in Banks		118,098.71
Outstanding Premiums Due and Deferred (Net)		287,850.10
Interest Due and Accrued		225,152.80
All Other Assets		757.13
Total Assets		$8,238,516.45

LIABILITIES

Policy Reserves According to Statutory Requirements	$7,209,600.00
Reserve for Unpaid and Unreported Claims	45,915.50
Policy Proceeds Left with the Company, Including Interest Accumulations	35,122.75
Premiums Paid in Advance	12,330.23
Agents' Credit Balances	9,116.42
Taxes and Expenses, Due and Accrued	27,000.00
Commuted Payments not yet Due re Policyholders' Mutual	4,052.66
Other Liabilities	8,758.61
Investment Reserve	170,000.00
Capital Paid In	655,055.90
Surplus	61,564.38
Total Liabilities	$8,238,516.45

Total Income for 1932 was $1,683,312 . . . Insurance in Force amounts to $46,700,028 . . . Ratio of Actual to Expected Mortality was 47.8% . . . Average Rate of Interest Earned for 1932 was 5.74% . . . Policy Reserves increased by $363,546.

The Company increased its Assets, Surplus and Investment Reserve, after making required provision for depreciation in securities and otherwise strengthening its position.

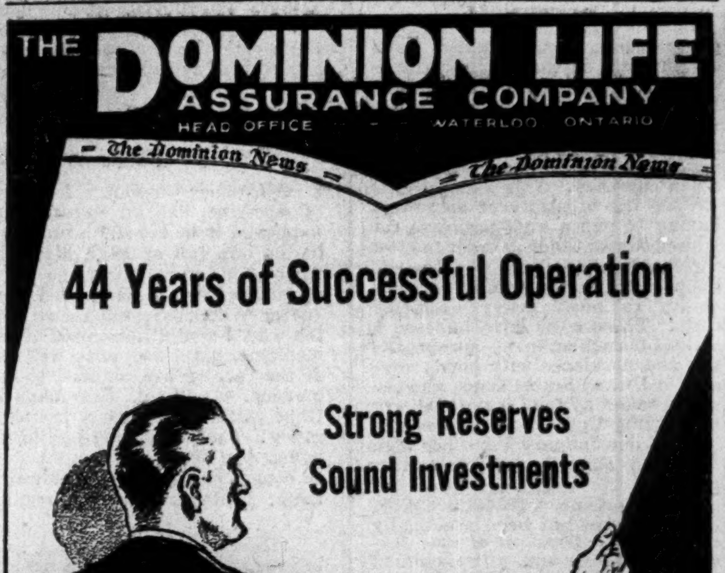
PROTECTION
THE ONTARIO EQUITABLE
LIFE AND ACCIDENT INSURANCE COMPANY
HEAD OFFICE WATERLOO ONTARIO

BRITISH AMERICA ASSURANCE COMPANY
FIRE · MARINE · AUTOMOBILE · ACCIDENT · SICKNESS · BURGLARY · GUARANTEE
ESTABLISHED A.D. 1833

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE WASHINGTON
HEAD OFFICE FOR CANADA HAMILTON ONTARIO
WRITING FIRE AND AUTOMOBILE INSURANCE AT COST. ASSETS $4,616,449.70
BRANCH OFFICES
Toronto
Ottawa
Vancouver
Victoria
Edmonton
Calgary
Saskatoon
Winnipeg
Montreal
Quebec City
St. John
Halifax
ALL POLICIES NON-ASSESSABLE, PAYING DIVIDENDS RANGING FROM 20% TO 30%

Operating in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia
FIRE AUTOMOBILE WINDSTORM
Insurance in force over $250,000,000.00
Total Assets over 3,000,000.00
Agents required in Ontario
Write Eastern Branch, 2 Toronto St., Toronto, Ont.
THE WAWANESA MUTUAL INSURANCE CO.
Head Office—Wawanesa, Man.

PROTECTION
The Independent Order of Foresters is a fraternal benefit society operating under a lodge system and existing for the purpose of affording to men and women the completest protection at the minimum cost. This protection covers practically every phase of family life. In addition to the protection afforded through its Insurance and Sick Benefit Departments, a number of practical fraternal benefits are available to its members.
Assets — $49,000,000.00
Independent Order of Foresters
FRANK E. HAND, Supreme Chief Ranger
HEAD OFFICE: TORONTO, CAN.



THE DOMINION LIFE ASSURANCE COMPANY
HEAD OFFICE WATERLOO ONTARIO
The Dominion News
44 Years of Successful Operation
Strong Reserves
Sound Investments

THE
Western Empire Life
ASSURANCE COMPANY
Extracts from 1932 Report
ASSETS $2,023,409.09
PREMIUM and INTEREST INCOME .... $ 349,997.58
POLICY and SPECIAL RESERVES $1,505,563.82
PAID POLICYHOLDERS and BENEFICIARIES DURING 1932 .... $ 193,274.64
President, R. W. CRAIG, K.C.
General Manager, F. C. O'BRIEN
HEAD OFFICE — WINNIPEG, MAN.

Est. 1884
The
Portage la Prairie
Mutual
Insurance Company
Head Office: PORTAGE LA PRAIRIE, MANITOBA
Branch Offices:
Montreal Toronto Edmonton Vancouver

Forty-Ninth Annual Report
Assets $1,047,372.90
Liabilities, Reserves, etc. 545,477.56
Surplus of Cash Assets over Liabilities 501,895.34
Contingent Assets 742,890.39
Total Surplus Assets 1,244,785.73
Premiums Written 1,088,781.75
Losses and Adjusting Expense 360,825.22

"Every fire policy over $2,000.00, and all Automobile policies are doubly secured by reinsurance treaties with Lloyds, of London, England."

"This Company operates under the Dominion Insurance Act, and is subject to annual inspection by Dominion Government Officials."

E. H. MUIR, President.
STRATTON WHITAKER, Managing Director.

FIRE, AUTOMOBILE,
PLATE GLASS, BURGLARY,
SPRINKLER LEAKAGE
AND WINDSTORM INSURANCE

Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

Best-Run Companies Give Most Informative Reports

Analysis of 500 Annual Statements Shows Value to Management and Shareholders Alike of Clear, Frank and Complete Portrayal

"Descriptive Information in Annual Reports to Stockholders," a pamphlet published by the Policyholders Service Bureau of the Metropolitan Life Insurance Co., New York (with its Canadian head office at Ottawa) should be of great interest to every Canadian company which is interested in improving its management practices, and in making its financial statements more useful and more informatory to shareholders.

"It has become more generally the practice of many organizations to issue adequate and complete reports to stockholders," says the pamphlet. "One factor influencing this trend probably has been the tremendous growth in the number of these stockholders. Executives state that adequate reports increase loyalty and interest among stockholders and that public opinion demands these full reports. Some executives believe also that thoroughgoing reports give the management an opportunity for self-criticism and analysis that is valuable in itself.

"In the belief that the preparation of a good annual report is valuable to the management itself, one company extends participation in the preparation of the annual report far down the line. Each department head is asked to submit an annual report for his department, and they, in turn, ask for similar reports from the heads of their sub-departments, thus affording a wide diffusion of whatever benefits come to management from a summary of the past."

Some Sketchy, Others Complete

The pamphlet analyzes the information contained in annual reports issued by more than 500 companies during recent years. Some of these annual reports were so sketchy that it would be impossible for a stranger looking them over to determine even the nature of the business in which the company was engaged. On the other hand, in addition to the financial information, some of the companies thought it well to describe the nature of its business, list the products manufactured, itemize the manufacturing and distributing facilities and to state the company policy. A number of reports go so far as to list officers, boards of directors, departments and committees.

Holding companies desiring to give complete information to their shareholders, in many cases give the full lists of companies in which they are interested through ownership of all or part of the capital stock, with names either of officers or directors. A Canadian, for instance, looking at the financial statement of National Lead Co., would see that National Lead Co. of Canada Ltd., at Toronto is one of its subsidiaries and that G. F. Allen is vice-president, with subsidiaries in Canada including Hoyt Metal Co. of Canada, Toronto, the Canada Metal Co. Ltd., Toronto, Montreal, Winnipeg and Vancouver, and the Robertson Lead Mfg. Co., Montreal and Winnipeg, manufacturers of lead products, brass and bronze dross smelters. He would realize the general place this Canadian subsidiary had in the general scheme.

The report of Fairbanks, Morse & Co. shows sales offices, warehouses and repair shops in the United States.

The Youngstown Sheet and Tube Co. makes an interesting analysis of its principal products, dividing them into raw materials, coke oven products, blast furnace products, semi-finished steel products, welded tubular products, seamless tubular products and electric welded pipe.

Standard Brands not only lists its products, but describes each with a [illegible] key words which may be considered as the sales points used in all advertising programmes and rep[illegible]ting as well the basis for con[illegible] success with each product.

Policies Differ

In reports to shareholders by directors policies differ. Some simply [illegible] shareholders to the balance [illegible] and the income statements [illegible] information while others make [illegible]ing comments on every item [illegible] that the items and the events contributing to the result may [illegible] clearly understood. Some reports analyze the balance sheet showing the ratio of current assets to current liabilities, the relation of cash on hand to current liabilities, and the relation of inventories to those of a year before. They proceed to refer to the net reduction or increase in property and plant accounts, and the reduction or increase in debentures and bonds. The relation of net earnings to interest requirements is commented upon and the position of the company's bank loan, if it has any. All this is designed to make every point as clear as possible and is reported to have helped greatly in increasing the confidence between management and board of directors on the one hand and shareholders on the other.

It has been especially found advisable and helpful to have clear explanations in non-technical language of technical items in the financial statement. The most intelligent investors also appreciate a company giving details of the property account, of the investments in affiliated companies, of inventories, of reserves, and of the funded debt. The Youngstown Sheet and Tube Co. goes so far in connection with its inventory item to give a comparative statement for five years, showing the inventory under 16 different classifications, a most comprehensive and interesting table to those really interested in the affairs of the company.

General Motors Corp. gives exact details of investments in subsidiary and affiliated companies so that investors by careful study can come to a reasonable conclusion as to the value of these investments.

Divides Fixed Assets

The United Fruit Co. goes so far as to divide its fixed assets into nine items, such as lands, houses and buildings, cultivations, livestock, equipment, railways and tramways, wharves, boats, etc., sugar mills and ships, while the total of each item is divided into three parts, showing the assets in tropical countries, in the United States and in European countries. The Youngstown Sheet and Tube Co. gives full particulars in a table showing property dismantled, sold and abandoned, and capital expenditure for properties acquired, added and improved, and shows exactly how reserves for depletion and depreciation are made up. Some of the principal oil companies give full details as to holdings of oil lands, both in the United States and abroad, divided by states and countries.

The schedules of funded debt of parent and subsidiary companies are most complete in many balance sheets. The Republic Steel Corp. presents a schedule by means of which the shareholder can see at a glance the position of any bond or debenture of a subsidiary company and its history from the beginning and arrive at some conclusion as to the possible situation at maturity.

The Borden Company, which has important assets in Canada, gives most complete information in its financial statement of its appropriations to reserves for property, plant and equipment, marketable securities, foreign exchange and net current assets of foreign subsidiaries.

Where Does Money Go?

One "well-known executive," whose name is not given, is quoted in this pamphlet as stating that one of the obligations of management is to present as complete a discussion as possible of new capital expenditures. This executive states:

"When these have been made out of earnings, then, in a very real sense, the stockholder's money has been reinvested without his direct consent, and certainly he deserves to know where it has gone and why, and what constructive benefit the management believes will accrue to him as a result . . . . Management constantly must guard against being motivated by its own ambition for size, rather than by a desire to exercise its power in the genuine best interest of its stockholders. The psychological and disciplinary value of management's having to explain to stockholders in an annual report the soundness of its new capital expenditures should not be under-estimated. The same arguments apply to expenditures made through new financing, for we do not believe it is sufficient to assume, even though the stockholders approved such financing, that no further explanation is necessary, since, to a large extent, the uses of new money are not and often cannot be, fully set forth at the time. At all events, the stockholder deserves to know what did happen and how the money actually was used."

The Standard Oil Company of Ohio and the United Fruit Company, the Eastman Kodak Company, the Anaconda Copper Mining Co., the U. S. Steel Corp., and International Nickel Co. of Canada are quoted as giving full explanatory details of changes in the capital structure and acquisitions of property. The information given by the International Nickel Co. on the important Frood Mine development in the 1929 annual report is given at length as an illustration of the completeness of the information that this company thought it well to give shareholders.

The General Food Corp. gives its security holders not only the details of the existing capitalization, but shows a history of all the changes in the capital structure from 1922 to date, and tells under what circumstances and how increases were made. The information given in the 1922 reports of Canada Dry Ginger Ale Inc., and the Standard Oil Co. of New Jersey as to improvements in manufacturing processes, must have been of exceptional interest to shareholders and investors generally. Standard Brands gives full information as to the manner and methods and agencies through which its products are distributed.

Industrial relations have become so important a part of the problems of management, that Eastman Kodak Co., General Motors Corp., the General Electric Co., and the Westinghouse Electric and Mfg. Co. always give considerable attention to this feature, and to the various plans which they have adopted for improving the situation and prospects of their workers.

Evaluations of Trends Needed

Many boards of directors feel it a good thing in the financial statement to make a review of economic conditions as affecting their particular company. This is done, of course, by the chief officers of banks, trust companies, loan companies and insurance companies, but there is peculiar reason for such reviews for the benefit of shareholders in the case of companies engaged in the preparation, manufacture or conversion of raw and basic products, such as petroleum, copper, sugar and meat packing. It may be interjected here, that in Canada, Imperial Oil has given in its statements considerable attention to the world-wide situation of oil and Canada Packers to the various influences affecting the meat packing business, both at home and abroad. The real test of a company's success, it is urged, is its relation to the external conditions surrounding its activities. It is therefore a good thing to evaluate economic trends and plan operations, in accordance therewith. Goodyear Tire Co. of Canada's statement has been thought stimulating in that respect. Companies in Canada, whose operations depend on the activity of the construction industry, contribute to the clearing away of confusion in the public's mind and to the steadying of minds of shareholders in periods of adversity if they give reasoned surveys of the situation.

The survey in this pamphlet of varying policies of many United States companies with reference to what is shown in income and surplus accounts reminds one that Canadian companies' policies in this respect differ just as widely. Some of them show net profits with no indication of what sales may have been, of what operating costs may have been, or of what appropriations may have been made for depreciation and depletion, while others go to the very opposite and most commendable extreme of showing sales and all charges and all appropriations, and giving records of earnings back through most of the history of the company in a supplementary table where all classes of items are segregated in a manner so that progress in each group can be gauged with the greatest of ease.

Some executives take refuge under the plea that they do not want to give information to rival concerns. It is noted that some of the very largest corporations such as U. S. Steel, General Motors Corp., and General Electric Co. appear to have no concern about this feature. U. S. Steel gives most complete and detailed information about every branch of its business. in fact, so complete and continuous are its reports that its statements of bookings, fillings and unfilled orders from time to time are taken almost as a barometer of general business conditions. Some companies make useful comparisons of inventories at the end of each year with sales during the year so that shareholders may judge the skill with which materials have been handled and controlled.

Successful Companies Tell Most

In brief, those companies who really realize the right of shareholders as owners to complete information and give all kinds of statistical data that will help them in that respect, are as a rule the companies which over a long period have been successful, and which have come through periods of adversity in best condition. Apparently they have realized the trends sooner than other companies not so specific and their willingness to pass on information has been a measure of their own confidence that every possible or perceivable measure has been taken to produce the best results under the circumstances outlined. Some of them in periods of adversity have continued to give just as complete information as before, and most of these have been ready to take advantage of improvement in general conditions whenever it has come. This feeling that they had to account for policy as well as for results led in most cases to sound and conservative practices.

Information in financial statements is necessarily highly condensed. Many executives, however, feel that, to give a true picture of the position and development of the company to stockholders, the annual report should include pertinent descriptive information of major activities of the company, and explanations and schedules in support of balance sheets and profit and loss items. M. C. Rorty is quoted as saying: "From the standpoint of the businesses themselves and their security holders, there appears to be everything to gain and nothing to lose from the publication of adequate and accurate reports."

Public Awakes

General public demand grows for complete information and independent audits as to correctness of information given.

Richard Whitney, president of the New York Stock Exchange. states that the public has shown clearly that independent audits are regarded by investors as a useful safeguard by its response to the exchange's announcement of a month ago, that after July 1, 1933, all listing applications would have to be certified by independent auditors. Another letter sent by the exchange to companies whose securities are listed includes a statement of accounting principles recommended by the American Institute of Accountants, compiled in co-operation with stock exchanges. In this new letter companies are asked to secure from their auditors a letter which will show the scope of the audit, whether or not all subsidiary companies controlled have been audited, the relative importance of subsidiaries not audited as measured by the amounts of assets and earnings, what evidence the auditors have relied on in respect of such subsidiaries, whether or not all information essential to a sound audit has been furnished them, whether or not the form of the balance sheet and of the income and profit and loss accounts clearly present the financial position and results of operation, and whether or not this system conforms with accepted accounting practice.

Montreal Apts.

As a subscriber to The Financial Post I would appreciate it if you can tell me whether Montreal Apartments made satisfactory progress last year. Is the property a favorable one and are the first mortgage bonds sound?

Earnings of Montreal Apartments were sufficient to cover bond interest and sinking fund last year. Rentals of properties controlled by this company are stated to be satisfactory, and encouraging situation in this particular field. The three apartment houses comprising Montreal Apartments are centrally located and well regarded while the bonds are the personal obligation of Hon. P. DuTremblay.

Dominion Scottish

One of our customers is holding common and preferred shares in the Dominion Scottish Investments Ltd. and he would like to have information about this company. Could you please give us your opinion about them and would you advise holding this stock or sell it?

In the year ended May 31, 1932, Dominion Scottish Investments showed a reduction in net earnings to $142,467 from $177,074 reported in the previous year. This reduced earnings on the preferred stock to $2.20 per share from $2.75 and the annual dividend of 5 per cent on the $50 par value preferred shares was therefore not earned. As a result the company has reduced dividends on the preferred to an annual rate of 2 per cent which has been maintained to date.

The company has no funded debt and at May 31, 1932, had outstanding $2,985,000 of preference stock and $1,500,000 of common shares, the latter having par value of $25. At that date the preferred shares had an equity of $19.43 as compared with an equity of $40.81 in the previous year. Security prices were based on market prices which were at practically the low point of the depression in May and June. Presumably the trust benefitted in some degree by the improvement in security prices that took place during August and September, 1932. Management of the trust is conservative and follows the principles of the British type of investment trust.

Since the trust was formed in May, 1929, the management has had to contend with a period of declining prices. No statement is made in the annual report of securities held but the classification is given according to the type of investment, geographical distribution, and the nature of undertakings represented by the securities in the portfolio.

Sherwin-Williams

Please be good enough to explain to me the low level at which common stock of Sherwin-Williams Co. of Canada is selling. Is there any particular reason for current prices?

Sherwin-Williams Co. of Canada is one of the principal paint manufacturers in the Dominion but its sales have been adversely affected by the decline in construction. In the fiscal year ended August 31, 1932, net earnings were $74,167 compared with $388,470 in the previous year. After charges there was a deficit of $46,421 before dividend payments. There have been no profits applicable to the common stock in the past two fiscal years; the situation is reflected in market values for the stock.

Canadian Vickers

I am a subscriber to The Financial Post and would like to know something of the position of the bonds of Canadian Vickers, Ltd. Are they well secured?

Activities of Canadian Vickers Ltd. have been restricted during the past year though a certain volume of marine activity was enjoyed. In connection with the first mortgage bonds it is well to remember that under the Dry Dock Subsidies Act the company receives from the Dominion Government an annual subsidy of $105,000 payable for 35 years from 1913. These payments are assigned under the trust deed as security for the bonds. Bond interest in the year ended February 28, 1932, was $158,513, so the government subsidy may be considered a strengthening factor in viewing the position of the first mortgage bonds.

Corporate Trust Shares

I hold several industrial bonds which I have been advised to exchange for Corporate Trust Shares, Series AA. Would you please give me your opinion of these shares?

Corporate Trust Shares is one of the largest fixed trusts, and shares have been widely distributed not only in the United States and Canada but abroad. The common stocks underlying each unit of Corporate Trust Shares Series AA are those of leading American corporations and these stocks are actively traded on the New York Stock Exchange, and might be expected to reflect any improvement in general business conditions. Due to the wide distribution the Trust Shares have had and the large dealer organization, there has been to date a fairly active resale market for the shares which fluctuates according to the market value of the underlying common stocks. Purchase of the shares is speculative but the speculative feature is offset in some degree by the diversification represented in the portfolio. It would be impossible for an investor to secure this diversification on the direct investment of $820 in the underlying stocks. The premium on United States funds is clearly stated by your broker. If the Canadian dollar returned to par the value of your Corporate Trust Shares would have to increase by the current premium on United States funds before they would sell at what you pay for them. Present exchange represents an additional load, that should be fully considered in buying the shares at this time. Presumably you have been advised by your broker of the relative merits of the two types of Corporate Trust Shares, the accumulative and the distributive. The latter gives the highest, immediate return, while the former derives the largest liquidating value upon termination of the Trust.

Duke-Price Power

Can the bonds of Duke-Price Power Co. be considered perfectly safe? I have a little money to invest but do not want to take risks.

There is one factor in the situation surrounding Duke-Price Power Co. which makes for uncertainty. The company, among other contracts, sells 100,000 h.p. annually to Price Bros. and the position of the latter company is not satisfactory. The newsprint industry, as you know, is experiencing severe difficulties and if Price Bros. collapse, the contract with Duke-Price Power might be jeopardized. This factor contributes to present quotations on the bonds which are selling around 61-63. The high return indicated at this level lends a certain speculative aspect to the bonds.

Toronto General Trusts

What is the position of Toronto General Trusts Corp.? I know that this company is one of the oldest but with mortgage difficulties and talk of moratorium is it still one of the strongest financial institutions in Canada? I had thought of leaving securities for safe-keeping and opening deposits with this company if it is reliable.

The financial statement of Toronto General Trusts Corp., for the year ended December 31, 1932, has just been issued and shows some increase in the guaranteed investment certificates outstanding, and a slight decrease of funds on deposit. The total liabilities of the company under these two items increased to $24,214,608 from $24,006,578 shown at the end of 1931. The assets in guaranteed trust account include mortgages at $14,645,925, interest due and accrued $861,989, Dominion and provincial securities $982,664, Canadian municipal debentures $4,183,869, loans on Dominion, provincial and municipal debentures, $1,554,827, loans on bonds and stocks $29,266, bonds and stocks $590,942 and cash $765,126. Mortgages held have been increased by some $200,000, interest due by $130,000, Dominion and provincial securities by $124,000 and loans on Dominion, provincial and municipal debentures of $700,000. The holdings of Canadian municipal debentures are down by $100,000, loans on bonds and stocks are down by $330,000, holdings of bonds and stocks down by $214,000 and cash is down slightly under $300,000. Deposits are extremely well secured by liquid assets which amount to 125.53 per cent of deposit liabilities.

The company presents a strong financial statement and as one of the largest trust companies in Canada, should offer ample security for the deposit of funds. The moratoria in force in Ontario and Western Canada naturally have some effect upon trust and loan companies, but on the other hand companies of this type are very careful in selecting risks, with the result that payments due on mortgages have been reasonably well maintained.

Some time during March, after the majority of the annual statements of trust and loan companies have been issued, The Financial Post will run its annual survey of trust and loan companies, giving the 1932 experience of all the important trust and loan companies operating in Canada. This issue should give you ample opportunity to compare the size and security of all the large Canadian trust and loan companies.

Northwest. Utilities

Have you some information on Northwestern Utilities? I want to know if the bonds are a first mortgage, how many are outstanding and what the terms of the sinking fund are.

The last balance sheet of Northwestern Utilities Ltd. as at December 31, 1931, showed $2,602,700 of 7 per cent first mortgage bonds outstanding. The bonds are a first mortgage on all fixed assets of the company; earnings in 1931 were equal to 2.28 times bond interest, before amortization and depletion, and 1.7 times interest, after charges. Sinking fund called for provision of six cents per 1,000 cubic feet sold up to December 31, 1933; thereafter to December 1, 1937 at the rate of seven cents. The company is also obliged to pay into the sinking fund an amount equal to the interest on the bonds that have been redeemed.

Inter City Western

Is there any chance of Inter City Western Bakeries making a better showing for last year? I understand that bond interest was not earned in 1931; is this true?

Financial statement of Inter-City Western Bakeries for the year ended January 31, 1933, will not be issued for some weeks and the company has not made public any figures during the past year. Our understanding is, however, that considerable difficulties have been experienced and little, if any, improvement over the previous year can be expected. In the year ended January 31, 1932, operating profit was $131,888 and net earnings were $86,819 against bond interest of $97,500 and United States exchange of $5,748. After all charges there was a deficit of $66,429 and a deficit of $121,905 was brought forward into last year.

Standard Reliance Assets

I hold preferred stock of Standard Reliance Assets Ltd. on which no dividends have been paid for several years. I have been offered some 40 cents a share on this $1 par value stock and would appreciate any information you can give me regarding the progress being made in liquidating the assets of the company.

No financial statement was issued for Standard Reliance Assets, covering operations in 1931 and the last statement appeared in July, 1931, covering operations in 1930. It is expected that a statement will be issued in the current year, covering operations in 1931 and 1932. At December 31, 1930, assets of the company and its subsidiary, Dovercourt Land, Building & Savings Co. were shown at $2,045,618 against which there were current liabilities of slightly over $25,000 and the remainder of the assets were available for repayment of principal on the preferred shares and interest on the preferred shares since the company went into liquidation.

So far as we are aware there is no market for the preferred stock. Originally there was $5,346,348 of preferred stock outstanding, on which payments to the amount of $3,831,968 had been paid to December 31, 1930, leaving $1,514,380 payable on principal, exclusive of interest. According to these figures approximately 71½ cents on every dollar of capital had been repaid to shareholders, and it is estimated by an officer of the company, that not more than 35 or 40 cents on the dollar more can be paid and this payment will depend upon liquidation of real estate holdings. Under existing conditions it may take some time to liquidate assets and make final payments.

Weston Biscuit

We have a client who would like some information concerning the stock of the Weston Biscuit Corp. and Delaware Corporation. At what price is the stock now selling, and is there any market for same?

The common stock of Weston Biscuit Corp. is not listed, and while a few sales have been made we know of no definite quotation. In 1931 shareholders of Weston Biscuit Corp. approved the sale of the company to a new company, Weston Biscuit Co. Ltd. on the basis of three shares of common stock in the new company, for each preferred share in the old corporation, and one common share in the new company for each 25 old common shares. Several letters of notification have been sent to shareholders of Weston Biscuit Corp., but not all of the shares have been exchanged and it would appear that your client still holds some of the old shares. We would suggest that he should get in touch with Bankers Trust Co., 16 Wall St., New York City, if this is the case.

A Long Term Investment

I am the holder of various Dominion Government Bonds due in 1943, 1944 and 1959. Most of these have only ten to twelve years to run, except the last named, and am thinking of turning them all into C. N. R. Dominion guaranteed 1954 5 per cent bonds; my only object in making this change is to have a twenty year investment in place of a ten year; the return works out about the same in either case.

Are the 1954 C. N. R. Dominion Government guaranteed bonds considered as sound security as the straight government bonds in the financial world or shall I be making the change into something not as safe?

Are the C. N. R. bonds repayable before 1954 if the government so desires; my whole object is to get a longer term investment of equal security not likely to be disturbed for the period?

The Canadian National Railways 5 per cent gold bonds, due February 1, 1954, carry the guarantee of the Dominion of Canada, and are non-callable.

The above issue which carries the Dominion guarantee as to principal and interest is generally regarded as ranking equally in security with direct obligations of the Dominion. The above issue sells on practically the same yield basis, as the 4½ per cent conversion loan bonds due November 1, 1959, the latter issue being callable as a whole, on or after November 1, 1949.

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Bank Chat on Current Topics

What Price Cows?

A BANK manager in a small Ontario city, who has considerable dealings with farmers says that barter is becoming important in the district. "Swapping" has always been more or less popular in rural Ontario, but sometimes it becomes complicated.

This banker tells of a deal in which a farmer sold a cow to a neighbor for $30 and received in exchange 12 chickens, one load of wood, eight bushels of wheat, two bags of oats and $1 in cash.

City people are apparently just as keen on attractive "Swaps" as the farmers. One Toronto paper has been inserting advertisements of proposed trades free. As a result, some 4,000 classified "ads" have been printed under the "swaps" heading.

* * *

Fallacy in U. S. Senate

A BANKER in an Alberta country branch writes us concerning a recent dispatch from Washington. He points out the fallacious notions of the Canadian banking system voiced in the U.S. Senate by Senator Blaine of Wisconsin.

The report of Senator Blaine's remarks is quoted, in part, as follows:

"They (the Canadian banks) did not lend to farmers or home owners. It could not be said that farmers and home owners were adequately served by the Canadian branch banking system. The Canadian system, he asserted, merely furnished credit for manufacturing and commerce and neglected city home owners and the needs of agriculture.

"Naturally, he added, they had no losses during the present depression. They never made loans unless their loans were well secured all the way from the raw material to the finished product.

"'If we had that system in America,' he went on, 'there would be practically no failures of banks in the country.'

"He understood that the Canadian banks were concentrated in the east and had only a few branches in the west.

"'If we had that system it must be perfectly obvious that industry would be paralyzed'."

It might be added that, if we had the system Senator Blaine appears to think we have, industry would be paralyzed in Canada too.

The Canadian bank manager comments:

"It is hard for Canadians to conceive that a man of the standing of Senator Blaine, of Wisconsin, could have such utter disregard for ordinary common sense to make a public statement to the effect that Canadian banks were concentrated in the east, and had very few banks in the west."

* * *

Sketch Corrected

THOSE who read the sketch of the career of Dudley Dawson, general manager of The Dominion Bank, on this page last week, may have noted an obvious mechanical error. Instead of reading the portions of the sketch from left to right as it appeared in columns three, four and five on the page, the piece in column five should be read after that in column three and before that in the fourth column.

Those who still have their copies of the Post or who have clipped the article will, no doubt, wish to make this correction.

* * *

A Fortune in Coppers

A FORTUNE in coppers, more than 21 million of them, was issued by the Royal Canadian Mint at Ottawa during 1932. The value of one cent bronze pieces issued in the year was $213,200. The total value of coins issued during 1932 was $665,200 for more than 26,000,000 new pieces placed in circulation.

New coinage issued in 1932 included, in addition to the one cent pieces, $18,400 in 50 cent pieces, $134,000 in 25 cent pieces, $134,600 in 10 cent pieces and $165,000 in five cent nickel pieces.

Staff Changes

The Canadian Bank of Commerce announces the following changes in staff appointments:

V. MCLEOD, formerly manager at Rolla, B.C., to be in charge at Black Diamond, Alta.

R. H. SHORT, formerly assistant inspector at head office, Toronto, to be manager at Adelaide and Yonge Sts. branch, Toronto.

P. H. NOWERS, fromerly manager at Adelaide and Yonge Sts. branch, Toronto, has been transferred to head office for special duties.

manager of the Bank of Montreal branch at Bowsman, Man., died suddently on Jan. 22 at his home in Bowsman.

The Royal Bank of Canada has made the following staff change:

P. C. HAYME, formerly manager at Three Hills, Alta., to be manager at Halkirk, Alta.

The Bank of Nova Scotia announces the following changes in staff appointments:

S. MACDONALD, formerly at Sackville, N.B., to be manager at Haymarket Square, Saint John, N.B.

A. T. BELL, formerly manager at New Richmond, Que., to be manager at Sackville, N.B.

F. L. GALVIN formerly accountant at Renfrew, Ont., to be in charge at Chandler, Que.

T. H. MILLER formerly accountant at Fredericton, N.B., to be accountant at Saint John, N.B.

W. H. HARRIS, formerly of the relieving staff, to be accountant at Fredericton.

J. D. HUBBERT, formerly accountant at Queen and Lansdowne branch, Toronto, to be accountant at Renfrew, Ont.

J. F. BLACK to be accountant at Queen and Lansdowne, Toronto.

Alberta Has $8,584,000 In Savings Certificates

Deposits of $8,584,000 in Alberta provincial savings certificates were held at Dec. 31, 1932, according to figures recently released by officials of the Alberta treasury department.

Included in the total on deposit is the amount of business done in the one, two and three-year certificates, which were authorized at the last session of the legislature. The first of the term certificates were issued on April 1 last and up until January 18 of this year there has been a total of $1,043,525 invested in this form of security.

Current Events in Banking World

BANKS RENDER FREE SERVICES TO DOM. GOV'T

Negotiation of Cheques and Coupons is Gratis

Payment of cheques at par in Ottawa, negotiation of coupons without charge and remittances of Government funds at par in Ottawa are the chief free services performed by Canadian chartered banks for the Government in return for deposits which averaged about $40,000,000 during 1932. In addition, interest is paid by the banks on some of these deposits at varying rates. The fact that free services are performed by the banks in this way has been indicated in the series of articles now running in The Financial Post, and which are written by a Canadian banker.

The free negotiation of coupons on Government debt at par is a service of considerable value to the Government. It involves thousands of entries on the part of the banks as each coupon must be recorded individually, and is probably the most troublesome free service given by the banks because of the vast amount of detailed work necessary.

Cheque Payment Valuable

From the point of view of the Government, however, the payment of cheques and the remittances of Government funds to Ottawa, at par in that city, is probably the most valuable service obtained from the banks. The cost of such remittances would be substantial indeed, if charges were made for the service by the banks as they do for cheques in the ordinary course of business.

While the free payment of cheques at par in Ottawa does not require as many entries on the part of the banks as coupons do, it involves large sums. These payments and remittances include such important items as payment of customs collections at the various ports, remittances of tax payments amounting to many millions of dollars and remittances of post office collections. The post office items are usually small as they are made for each individual branch at short intervals. The banks also perform services in the Yukon Territory for the Government at a considerable expense.

Interest Rates Vary

Interest rates paid by banks on Government balances vary greatly, The Financial Post is informed. These balances arise in the course of the Government's day to day business and financing, and are held by the banks for different departments. The different conditions surrounding deposits from the different Government departments make for diverse interest rates. On some balances no interest is paid, it is understood, while on others, particularly those which may be in the hands of the banks for some time, comparatively high rates prevail. Generally speaking the interest rates probably vary between one and three per cent, but no set rule prevails.

Sometimes the Government asks for bids on interest rates for deposits of its funds, but this policy is much more common for balances to be held in New York than in Canada. It is the case in Canada that some banks have allowed the Dominion unusually high rates on long-term deposits, although the policy may not have been profitable to the banks. As in business dealings, however, such a plan builds goodwill.

There is no fixed proportion in which the various Canadian chartered banks receive and hold government deposits, bank officials state. The various deposits are held by the banks at the discretion of the Government. The one situation in which amounts of deposits are definitely apportioned between the banks is in the case of Government loans. It is usually the policy of the Government in such event, The Financial Post is informed, to deposit the funds, received as proceeds of the loan, in the various banks in proportion to the amounts subscribed by depositors of each bank. That is the Government distributes the proceeds of the loan among the various banks in the same proportion as the cheques in payment for bonds were drawn.

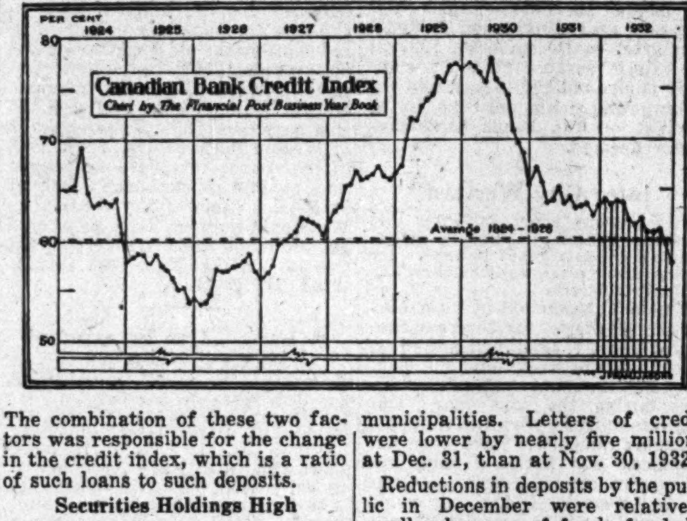
One of the chief aids to the Government in obtaining all the free services mentioned above is the network of branch banks in Canada. This system is obviously of value in collecting and remitting small amounts in cheques and coupons in the most economical manner.

December Credit Index Declined to 1927 Level

Current Bank Loans in Canada Decline 35 Millions, Reflecting Inactive Trade — Security Holdings of Banks Again Reach Record Peak

Large changes, including a shrinkage of nearly 35 million dollars in current loans in Canada, feature the statement of the chartered banks for December, 1932. A drop of 1.9 per cent from 59.8 to 57.9 per cent, in The Financial Post credit index is one result of the decline in current loans during the month. Recent statements by bankers indicate that such decreases in current loans are due to less activity in general business. Bank credit in Canada, at Dec. 31, 1932, as measured by The Financial Post index, had declined to the levels of early months of 1927.

The total of Canadian current loans and Canadian call loans dropped over 39 millions in December. At the same time deposits by the public dropped only seven millions. The combination of these two factors was responsible for the change in the credit index, which is a ratio of such loans to such deposits.



Securities Holdings High

Holdings of government securities again reached a new high, rising more than 11 millions to a total of $562,359,413. Holdings of municipal securities also rose during December, being up $7,355,767. Railway securities showed a relatively small increase.

Among immediately available liquid resources, specie dropped over 22 millions, and holdings of Dominion notes were down over 10 millions. The latter may be chiefly due to the drop of over eight millions government advances to the banks, under the Finance Act, on the liability side of the statement. The largest change in quick assets is in balances with foreign banks, which were down $42,409,420 in December. The meaning of this unusually large change is not perfectly clear, but it may be related to the reduction of over 52 millions in liabilities to the Dominion Government. The latter change cuts liabilities to the Dominion almost in half. There was also a decline of nearly eight millions in call loans abroad.

Other Loans Down

In addition to the decrease in current loans in Canada, there was a drop of $1,900,209 in current loans abroad and $4,406,652 in call loans in Canada. The drop of $5,930,519 in loans to provincial governments was largely offset by an increase of $4,534,513 in loans to municipalities. Letters of credit were lower by nearly five millions at Dec. 31, than at Nov. 30, 1932.

Reductions in deposits by the public in December were relatively small, when use of funds for holiday buying is considered. Savings deposits were down only $1,143,009, and demand deposits were lower by $5,955,313. The total of savings deposits was over 17 millions higher at Dec. 31, 1932, than it was at Dec. 31, 1931. A drop of over 20 millions was registered in foreign deposits with Canadian banks in December, but the total is still $18,638,780 higher than it was a year previous.

The statement for Dec. 31, 1932, as drawn by The Financial Post from the official figures of The Minister of Finance, is as follows:

ASSETS	Dec., 1932	Nov., 1932	Change	Dec., 1931	Change
Immediately Available Liquid Resources	$	$	$	$	$
Specie	53,263,094	76,125,201	— 22,862,107	65,816,786	— 12,553,692
Dom. notes	153,181,279	163,503,374	— 10,322,095	128,860,547	+ 24,320,732
Gold reserve	19,881,732	18,881,732	+ 1,000,000	25,731,732	— 5,850,000
Foreign banks	112,686,908	155,096,328	— 42,409,420	109,682,391	+ 3,004,517
Foreign curr.	17,941,291	18,746,452	— 805,161	14,736,182	+ 3,205,109
Govt. secs.	562,359,413	551,158,212	+ 11,201,201	477,912,303	+ 84,447,110
Call loans ab'd	91,491,603	99,867,750	— 7,876,147	83,124,317	+ 8,367,286
	1,010,805,320	1,082,879,049	— 72,073,729	905,864,258	+104,941,062
Loans and Securities Other Than Those of Canadian Government					
Public secs.	166,958,673	159,602,906	+ 7,355,767	154,109,577	+ 12,849,096
Railway secs.	48,933,929	48,714,974	+ 218,955	62,010,798	— 13,076,869
Can. call loans	103,204,389	107,611,041	— 4,406,652	134,730,957	— 31,526,568
Current loans	964,023,809	998,934,028	— 34,910,219	1,082,097,360	—118,073,551
Loans abroad	151,661,262	153,561,471	— 1,900,209	188,357,012	— 36,695,750
Prov. loans	28,273,553	34,204,072	— 5,930,519	45,557,589	— 17,284,036
Mun. loans	111,569,810	107,035,297	+ 4,534,513	125,689,588	— 14,119,778
	1,574,625,425	1,609,663,789	— 35,038,364	1,792,552,881	—217,927,456
Other Assets					
Non-curr. loans	13,311,964	13,363,328	— 51,364	10,327,706	+ 2,984,258
Real estate	7,481,430	7,452,807	+ 28,623	6,567,341	+ 914,089
Mortgages	6,387,717	6,385,758	+ 1,959	6,252,704	+ 135,013
Premises	78,702,197	78,781,267	— 79,070	79,785,470	— 1,083,273
Lets. of credit	42,634,870	47,539,550	— 4,904,680	55,473,413	— 12,838,543
Loans to comp.	13,170,620	13,362,699	— 192,079	14,311,291	— 1,140,671
Other assets	1,489,642	1,541,791	— 52,149	1,576,910	— 87,268
	163,178,440	168,427,200	— 5,248,760	174,294,835	— 11,116,395
Total	2,748,609,185	2,860,970,038	—112,360,853	2,872,711,974	—124,102,789
Note cir. dep.	6,602,452	6,595,814	+ 6,638	6,823,976	— 221,524
Int. bank bal.	96,875,276	92,341,121	+ 4,534,155	118,136,842	— 21,261,566
Gross	2,852,086,913	2,959,906,973	—107,820,060	2,997,672,792	—145,585,879
LIABILITIES					
To the Public					
Circulation	127,074,824	125,047,564	+ 2,027,260	141,013,382	— 13,938,558
Dom. Govt.	53,107,707	105,754,782	— 52,647,075	111,098,699	— 57,990,992
Prov. Govt.	18,933,416	31,325,641	— 12,392,225	19,787,120	— 853,704
Govt. advances	56,988,000	65,144,000	— 8,156,000	46,500,000	+ 10,488,000
Deposits By Public					
Demand dep.	466,212,767	472,168,080	— 5,955,313	566,584,565	—100,371,798
Savings dep.	1,377,520,115	1,378,663,124	— 1,143,009	1,360,042,129	+ 17,477,986
Total	1,843,732,882	1,850,831,204	— 7,098,322	1,926,626,694	— 82,893,812
Foreign dep.	328,725,094	349,118,042	— 20,392,948	310,086,314	+ 18,638,780
Due to Banks Abroad, Etc.					
Un. Kingdom	7,426,767	4,510,746	+ 2,916,021	4,849,181	+ 2,577,586
Foreign	41,371,955	51,048,541	— 9,676,586	42,323,072	— 951,117
Bills payable	627,187	796,072	— 168,885	3,214,559	— 2,587,372
Lets. of credit	42,634,870	47,539,550	— 4,904,680	55,473,413	— 12,838,543
Other liab.	2,609,076	2,452,732	+ 156,344	2,977,503	— 368,427
Public liab.	2,523,231,778	2,633,568,874	—110,337,096	2,663,949,937	—140,718,159
Due bet. banks	12,319,732	10,265,987	+ 2,053,745	11,384,920	+ 934,812
Liability to Shareholders					
Dividends	706,013	2,988,225	— 2,282,212	782,807	— 76,794
Reserve	162,000,000	162,000,000	....	162,000,000	....
Capital	144,500,000	144,500,000	....	144,500,000	....
Gross	2,842,757,523	2,953,323,086	—110,565,563	2,982,617,664	—139,860,141
*Credit index	57.9%	59.8%	— 1.9%	63.1%	— 5.2%

*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

Royal Bank's Cut in Salaries Averages 5%

Scaled reductions, averaging about five per cent on salaries are being made effective by the Royal Bank of Canada on March 1. No general reduction is being made in salaries under $1,000, and reductions on salaries of more than that amount are based on a sliding scale.

Reports that the reduction amounts to 10 per cent are not correct, The Financial Post understands, as the sliding scale does not reach that figure. The reductions are in line with the decreased cost of living, and are in keeping with changes being made in other institutions.

Various adjustments, which have been made in the bases of remuneration of bank employees, make comparisons of policies in different banks almost impossible. Living allowances, which have been in effect in almost all the banks in some form, have been adjusted in accordance with the altered cost of living. However it is not certain what changes have been made in such allowances, and by what banks, as these arrangements are highly elastic.

Another form of salary adjustment in the banks has been postponement of "raises" which might ordinarily be made. Bonuses have also been eliminated.

DEPOSITS OFF LESS THAN BANK DEBITS

While deposits in Canadian chartered banks showed a decline of only about eight per cent in December, 1932, compared with December, 1931, bank debits in the 32 clearing centres of Canada were down 21 per cent in the period, according to the Dominion Bureau of Statistics. Ratio of bank deposits at Nov. 30 to bank debits in December, 1932, was 112.6 per cent, compared with 131.1 per cent in 1931. Bank debits in the 32 clearing centres of Canada amounted to $2,084,600,000 in December, 1932, compared with $2,466,300,000 in November, a decline after seasonal adjustment of 12.3 per cent.

Bank Debits in Chief Cities of Canada for December

	1932	1931
	$	$
Halifax	19,918,239	29,711,132
Moncton	6,195,656	7,714,600
Saint John	13,325,093	20,008,876
Maritimes	39,438,988	57,434,608
Montreal	556,809,860	705,342,702
Quebec	43,535,653	61,949,351
Sherbrooke	5,757,865	6,827,480
Quebec	606,103,378	774,119,533
Brantford	7,679,086	9,690,945
Chatham	7,749,871	8,565,224
Fort William	5,374,218	6,822,690
Hamilton	38,954,818	53,182,691
Kingston	4,706,623	5,511,501
Kitchener	8,006,119	11,881,813
London	26,612,499	35,320,793
Ottawa	99,212,697	269,293,784
Peterborough	5,447,699	7,028,565
Sarnia	8,079,823	8,048,925
Sudbury	3,080,233	4,738,784
Toronto	672,144,807	749,153,300
Windsor	16,743,167	24,793,189
Ontario	903,791,660	1,194,031,654
Brandon	2,619,340	3,902,992
Calgary	43,916,042	55,822,798
Edmonton	30,419,226	52,889,991
Lethbridge	3,293,131	3,938,893
Medicine Hat	1,755,219	2,386,838
Moose Jaw	5,313,643	6,912,924
Prince Albert	1,924,042	3,016,211
Regina	29,800,088	44,964,991
Saskatoon	9,226,589	12,736,324
Winnipeg	281,739,256	271,117,583
Prairie Provs.	410,006,576	457,684,545
New W'minster	4,101,539	5,305,747
Vancouver	98,114,487	120,751,283
Victoria	23,048,504	28,795,194
Br. Columbia	125,264,530	154,852,224
Canada	2,084,605,132	2,638,122,564

Obituary

Sidney Wood, former superintendent of premises in Saskatchewan for the Royal Bank of Canada, died at Victoria, B.C., on Jan. 15. Mr. Wood was born in South Africa, and before coming to Canada in 1906 was with the Standard Bank of South Africa.

Weekly Bank Clearings

	Feb. 4, 1932	Feb. 2, 1933
Halifax	$ 2,437,811	$ 1,684,840
Saint John	1,976,089	1,231,395
Moncton	937,971	519,664
Sherbrooke	511,015	504,100
Ottawa	6,210,946	3,656,955
Montreal	96,601,511	78,144,248
Kingston	645,156	419,287
Peterboro	638,008	451,994
Toronto	123,127,259	83,661,451
Hamilton	5,144,049	3,475,087
Kitchener	906,517	726,348
Brantford	1,009,577	590,354
London	3,033,264	1,934,001
Chatham	587,836	438,686
Windsor	2,560,480	1,825,417
Sarnia	376,406	269,096
Sudbury	539,079	386,762
Fort William	$ 610,988	$ 412,448
Winnipeg	35,331,562	26,041,937
Brandon	385,022	224,324
Moose Jaw	548,634	356,469
Regina	3,153,957	1,950,790
Saskatoon	1,357,219	859,823
Prince Albert	298,242	181,162
Edmonton	4,918,058	2,799,781
Calgary	4,557,395	4,503,797
Medicine Hat	206,375	146,695
Lethbridge	352,118	292,291
N. Westminster	548,159	390,040
Vancouver	13,696,078	12,242,916
Victoria	1,736,426	1,263,751

Clearing House Associations Appoint Officers for 1933

Results of elections of clearing house officers for 1933 in leading Canadian clearing centres, as compiled by The Financial Post, are as follows:

Calgary

The annual meeting of the Moncton Clearing House Association for election of officers for 1933 will take place on March 14 next.

Toronto

R. J. Williams, of the Bank of Montreal, has been elected chairman of the Toronto Clearing House for 1933, and D. A. Y. Merrick, of the bank of Nova Scotia has been elected vice-chairman for the year.

Windsor

Officers of the Windsor Clearing House for 1933 are: G. J. Lackner, Imperial Bank of Canada, chairman; George Campeau, Provincial Bank of Canada, vice-chairman, and George W. Carruthers, manager.

Montreal

Montreal Clearing House officers for 1933 are: N. W. Berkinshaw, The Bank of Nova Scotia, chairman; M. S. Bogert, The Dominion Bank, vice-chairman; A. W. Ridout, secretary-treasurer and manager.

Fort William

Officers elected by the Fort William Clearing House Association for 1933 are: C. C. Eddy, Bank of Toronto, chairman; M. K. Pugsley, The Bank of Nova Scotia, vice-chairman; C. J. Forest, The Dominion Bank, secretary-treasurer.

Regina

At the recent annual meeting of the Regina Clearing House Association, G. H. Harman, of the Bank of Montreal was elected president for 1933, and W. A. Radcliff was elected vice-president. Chas. C. Riach is manager-secretary. The committee consists of H. B. Adams, F. C. Burnett, J. E. Edgington, W. L. Gilliland and J. G. Nickerson.

Saint John

Election of officers of the Saint John Clearing House Association will take place in March, 1933. Officers now acting for the remainder of the current period are: W. A. Fisher, The Dominion Bank, chairman; D. W. Harper, Provincial Bank, vice-chairman; N. L. Ford, The Bank of Montreal, secretary-treasurer.

Brandon

At the annual general meeting of the Brandon Clearing House Association on Feb. 2, the following officers were appointed for 1933: W. J. Swaisland, the Royal Bank of Canada, president; T. T. Rodger, the Dominion Bank, vice-president; C. R. S. Nicol, the Canadian Bank of Commerce, secretary-manager.

Peterborough

Officers of the Peterborough Clearing House elected for 1933 are: T. A. Mackay, Bank of Montreal, chairman; C. P. Borland, Bank of Toronto, vice-chairman; D. J. D. Jones, Bank of Montreal, secretary.

Other members of the clearing house are B. F. Chilton, Bank of Nova Scotia; D. B. Falkner, Canadian Bank of Commerce; R. T. E. Hicks-Lyne, Dominion Bank, and H. C. Sootheran, Royal Bank of Canada.

Kingston

Officers of the Kingston Bankers' Clearing House for 1933 are: E. C. Hodgkins, The Canadian Bank of Commerce, president and chairman; W. R. Belcher, The Bank of Montreal, vice-president; E. J. MacKell, Bank of Montreal, manager.

Quebec

At a recent meeting of the Quebec Clearing House Association, the following officers were elected for 1933: A. G. Russell, Banque Canadienne Nationale, chairman; A. Hardy, La Caisse d'Economie de Notre Dame de Quebec, vice-chairman; J. P. E. Almeras, secretary-treasurer and manager. The board of management for 1933 consists of A. Foster, Banque Provinciale du Canada; B. B. Carter, the Royal Bank of Canada, and C. F. Lindsay, of the Bank of Nova Scotia.

Winnipeg

Members of the Winnipeg Bankers' Club heard a description of the changes in the Bankruptcy Act outlined by H. P. Grundy, K.C., at a recent meeting. Mr. Grundy stated that the changes in the Act had been necessitated by abuses which had grown up through incapable and sometimes dishonest trustees. He stressed the operation of the new Act and the method of appointment of trustees by the new superintendent of bankruptcy.

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Surplus and Special Funds 458,663.00
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Growth of Company
	Assets	Interest and Premium Receipts	Insurance in Force	Surplus and Special Funds
1918	$ 266,745.00	$ 107,386.00	$ 2,845,834.00	$ 22,467.00
1925	1,020,569.00	337,649.00	8,256,915.00	157,940.00
1932	2,241,002.00	348,697.00	10,117,652.00	458,663.00
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Position of Chartered Banks of Canada as of December 31, 1932, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation	Balance Due to Dominion Government	Advances under Finance Act	Balances Due to Provincial Governments	Demand Deposits in Canada	Savings Deposits in Canada	Deposits Elsewhere	Bal. due to other banks in Canada	Due to Banks in U.K.	Due to Banks Elsewhere	Bills Payable	Letters of Credit outstanding	Other Liabilities	Dividends Declared and unpaid	Reserve Fund	Capital Paid Up	Total Liabilities	Capital Authorised	Capital Subscribed	% Last dividend	* Loans to Directors and firms of which they are partners	Average gold and Coin Held	Average Dominion Notes Held	Greatest amount of notes in Circ.
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	%	$	$	$	$
Montreal	32,327,903	17,571,461	9,000,000	3,597,712	128,369,196	393,332,899	73,615,105	3,517,945	882,261	6,028,173	180,786	6,214,105	1,573,796	22,464	38,000,000	36,000,000	750,233,813	50,000,000	36,000,000	10	2,748,877	17,752,876	56,199,198	35,338,767
Nova Scotia	11,079,008	6,045,297	3,214,000	2,131,604	28,230,878	132,355,345	34,366,448	2,539,257	1,036,725	1,573,070	230,170	4,834,757	274,589	424,738	24,000,000	12,000,000	64,335,892	15,000,000	12,000,000	14	2,822,608	9,779,061	15,056,523	12,143,349
Toronto	5,794,424	1,421,176	1,500,000	572,421	21,306,509	60,625,680	....	320,105	207,431	962,915	37,650	663,812	159,510	3,098	9,000,000	6,000,000	108,574,736	10,000,000	6,000,000	10	981,613	371,690	9,005,900	6,419,129
Provinciale	3,528,788	628,135	1,100,000	45,308	3,907,009	31,358,638	....	1,647	....	29,812	....	11,798	331	6,938	1,500,000	4,000,000	46,118,408	5,000,000	4,000,000	8	708,973	224,894	553,838	3,715,018
Commerce	22,811,924	8,897,789	7,000,000	2,393,930	102,723,479	387,089,114	46,967,202	459,203	550,293	8,557,598	11,466	11,011,724	....	26,603	30,000,000	30,000,000	560,500,330	30,000,000	30,000,000	10	6,353,143	10,574,000	26,709,000	24,853,228
Royal	28,937,990	10,433,234	25,000,000	5,827,173	113,717,940	158,243,690	170,536,362	945,388	2,505,685	20,673,947	167,115	17,714,691	335,768	35,099	35,000,000	35,000,000	725,074,080	50,000,000	35,000,000	10	3,234,308	12,477,106	15,975,681	31,440,614
Dominion	5,832,230	4,006,950	1,500,000	679,027	28,130,428	61,350,952	1,893,288	393,628	200,225	928,185	....	1,250,393	265,032	175,923	9,000,000	7,000,000	122,606,264	10,000,000	7,000,000	10	1,362,151	619,000	5,760,000	6,216,470
Nationale	8,950,959	1,776,108	7,000,000	1,242,164	16,767,968	80,054,064	1,346,689	656,512	21,993	257,918	....	244,223	....	8,557	7,000,000	7,000,000	132,327,159	10,000,000	7,000,000	10	452,810	959,057	1,402,255	9,295,439
Imperial	7,555,853	2,056,639	1,590,000	2,294,077	21,980,688	72,306,113	....	1,400,639	249,903	1,124,801	....	673,591	....	2,593	8,000,000	7,000,000	126,234,902	10,000,000	7,000,000	10	480,731	441,233	4,198,894	8,228,363
Barclays (Canada)	255,745	270,918	84,000	150,000	1,078,672	803,620	....	85,408	1,772,251	1,235,536	....	15,776	....	....	500,000	500,000	6,751,930	500,000	500,000	......	....	10,711	127,355	260,110
Total	127,074,824	53 107,707	56,988,000	18,933,416	466,212,767	1,377,520,115	328,725,094	12,319,732	7,426,767	41,371,955	627,187	42,634,870	2,609,026	706,013	162,000,000	144,500,000	2,842,757,523	210,500,000	144,500,000	......	19,145,200	53,209,628	134,988,544	137,910,487

* And loans for which they are guarantors.

ASSETS

NAME OF BANK	Current Gold and Subsidiary Coin	Dominion Notes	Notes of other banks	United States and other foreign currencies	Cheques on other banks	Balances due from other banks in Canada	Due from banks in U.K.	Due from banks elsewhere	Government securities	Canadian municipal British and foreign securities	Railway and other bonds and Stocks	Call loans in Canada	Call loans elsewhere	Other current loans in Canada	Other current Loans elsewhere	Loans to provincial governments	Loans to municipalities	Non-current loans	Real estate other than premises	Mortgages on real estate	Bank Premises	Letters of Credit	Deposit for note circulation	In central gold reserves	Shares of and loans to controlled companies	Other assets	Total assets
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	17,847,895	57,412,954	,094,869	310,459	20,716,391	72	1,277,019	23,513,797	16,522,933	58,703,363	7,440,599	4,093,474	27,817,011	35,560,535	16,872,356	5,502,204	23,802,365	4,244,854	520,482	1,241,417	14,500,000	6,214,105	1,542,872	3,000,000	223,057	53,594	752,033,783
Nova Scotia	9,829,480	19,656,293	,013,389	1,382,316	6,770,172	....	617,175	6,822,933	46,808,773	0,355,282	8,624,924	13,057,297	2,187,753	38,213,224	13,650,707	3,600	8,465,780	686,051	....	110,263	7,983,801	4,834,757	568,910	1,250,000	2,589,032	102,729	265,084,712
Toronto	385,151	7,493,710	562,210	17,461	5,108,934	....	191,886	1,813,727	8,427,544	7,491,148	1,479,091	4,730,961	....	10,724,976	....	[illegible]	5,360,183	237,842	[illegible]	62,820	3,727,583	663,812	306,603	630,866	....	....	109,416,518
Provinciale	232,292	432,99	28,770	19,165	1,263,532	1,784,453	5,265	136,979	3,910,85	4,523,127	394,193	4,604,45	....	5,560,612	....	[illegible]	1,310,330	153,247	590,477	382,030	2,170,550	11,798	197,600	[illegible]	....	212,420	46,515,149
Commerce†	662,402	24,888,5	108,050	596,50	26,529	12,94	499,15	126,92	1,782,77	1,579,95	567,18	9,442,95	8,077,7	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Royal‡	71,299	6,005,3	73,356	498,51	402,626	2,09	66,16	679,10	163,27	527,09	303,59	7,585,30	2,413,21	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dominion	624,979	11,853,10	78,585	37,8	36,426	....	23,926	086,5	407,34	751,46	334,45	2,023,51	595,89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nationale§	545,468	1,203,91	47,515	54,8	553,801	225,811	47,677	883,97	352,59	351,64	404,039	5,947,10	....	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Imperial	452,602	4,138,47	28,765	23,4	121,686	677,64	50,920	559,29	5,561,258	580,904	164,990	5,855,67	....	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Barclays (Canada)	11,526	96,00	10,909	744	136,897	1,618,54	,006,924	277,33	422,054	94,795	30,850	13,600	....	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	53,263,094	153,181,279	12,146,418	17,941,291	80,406,394	4,322,464	7,786,109	104,900,799	562,359,413	166,958,673	48,933,929	103,204,389	91,491,603	964,023,809	151,661,262	28,273,553	111,569,810	13,311,964	7,481,430	6,387,717	78,702,197	42,634,870	6,602,452	19,881,732	13,170,620	1,489,642	2,852,086,913

*Of this deposit $11,081,732 is in gold coin; the balance is in Dominion notes.

*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†The figures of The Canadian Bank of Commerce (California) are incorporated in the above statement.—Footnote to Canadian Bank of Commerce return.

‡The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above statement.—Footnote to Royal Bank return.

§The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale, are included in above return.—Footnote to Banque Canadienne Nationale return.

Footnotes to Ottawa

An occasional department of comment on the background of governmental activities in the nation's capital

By Our Ottawa Correspondent.

Bennett Frowns on Livestock Scheme

OTTAWA.—An active lobby for a national livestock marketing board, supported by several powerful livestock organizations, has gained some support, but has been indefinitely halted by the refusal of Premier Bennett to sanction legislation, at least during the present session.

In a general way it is understood the livestock men have obtained the active support of members of the cabinet who are directly interested in the agricultural industry.

The proposal is to create a National Marketing Board which would have control over the marketing of all cattle and swine sold on Canadian markets. This board would set out at once to lift the surplus production, in the hope of raising domestic prices to about the level of 1928-29. The surplus would be sold by the board for export and farmers would receive a price based upon the total receipts.

It is pointed out that, at the moment, export prices govern the domestic market so that any enhancement in the domestic price level would be clear gain to the producers.

* * *

THE scheme is being opposed very vigorously by the packers although it seems that the livestock men have failed of success not so much because of the packers' opposition as because the prime minister is far from satisfied that the proposition is sound.

While the marketing board proposal looks good on paper it is probable that Mr. Bennett foresees in it a new avenue of attack upon the national treasury. Once the marketing of livestock is placed under a federal organization, the demand for a state subsidy would follow, inevitably, and for the reason that such a subsidy could be distributed without difficulty by such a board, the political difficulties in the way of refusal would be very great.

For the moment, therefore, the Prime Minister has turned thumbs down on the scheme, but its proponents continue to be active and persistent in demanding legislation this year.

* * *

Keeping Buffalo on Grain Map

IT IS an open secret at Ottawa that everything has been arranged for the early reopening of the Buffalo grain route. With great secrecy a second very small test shipment was forwarded to Liverpool on the S. S. Britannic. The papers which accompanied the shipment were before the customs authorities at London before anyone outside of those directly responsible were aware of it.

And it is regarded here as a certainty that the British authorities will reverse the previous decision given on the Laconia shipment, and grant the preference to all wheat handled in conformity with the practice established by the Britannic shipment.

In point of fact, the changes in the Britannic documents are so few and unimportant as to be inconsequential The decision, it appears, will rest more on political than judicial considerations.

The political "dangers" of closing the Buffalo route are recognized both at Ottawa and London. From the Canadian standpoint the Laconia decision caused a storm of protest on the prairies. Moreover, it greatly stimulated the movement at Washington to eliminate shipment of goods to and from the United States via Canadian ports. Canadian railroads became alarmed at the prospect of United States retaliation and the government, it is believed, came to share that alarm. From the British viewpoint, the closing of Buffalo was equally unsatisfactory. Britain is just launching negotiations for debt settlement, and it was, obviously, a very untactful method of approach to short circuit a valuable trade from Buffalo eastward on the eve of the negotiations.

ASSOC. BREWERIES FIXING UP PLANTS BOUGHT IN U. S.

Will Have Them in Readiness When Volstead Act is Modified

From Our Own Correspondent

LETHBRIDGE, ALTA.—Reconditioning of the newly-acquired breweries of Associated Breweries in Great Falls, Montana, is already under way and Emil G. Sick, general manager, states that the plants will be in readiness when the Volstead act is modified. The Montana plant will serve a large section of the northwest.

Two plants were purchased, the American and Montana units. The American company building will be used for brewing, storing and bottling while the Montana company plant will be used for the malting process. Re-conditioning is under the supervision of George Schraubstadter of Oklahoma City, formerly of the Anheuser-Busch company and one of the best brewing engineers in the country. While the plants will require considerable repair work the outlay will not be heavy as the walls and smokestacks are intact and sound.

Canada Supplies Equipment

When the plants are rehabilitated, brewing equipment will be moved in, most of it being shipped from Canada. Storage vats of oak construction will be installed and the bottling equipment arranged for later. Some of the vats will be of steel construction lined with glass, this being a modern feature of brewery construction. It is the intention of Associated Breweries to stick close to the old methods of brewing, making sure that their product is properly aged before being placed on the market. This may require six months or more. The company will encourage the growing of barley in the North Montana territory.

All the formulas, labels and trademarks of Associated Breweries go into the Montana subsidiary but a name for the product has not been selected. The subsidiary will operate under Montana state incorporation arranged by the law firm of Cooper Stephenson and Hoover of Great Falls. Paul W. Kuschel, associate of the Sick interests in the Montana deal, will be manager of the Great Falls plants and A. E. Raue, master brewer and superintendent of Associated Breweries four plants, will act in a similar capacity for the Great Falls breweries.

Has Canadian Directors

Directors of the Montana company in addition to the president, Fritz Sick, and the general manager Emil, G. Sick, are L. M. Johnstone, K. C. Lethbridge; J. Cyril Malone of Regina, who has been in Great Falls in connection with the transaction; Col. Gerald Hanson, Montreal banker; M. Sheppard of Edmonton; R. H. B. Ker, Victoria, B.C.; Col. George R. Whitmore of Regina; Robert J. Chiswick of Lethbridge and William Hutton of Regina.

Grain and Milling in Canada

Exchange Raised Prices For Wheat In January

Searle Bulletin Still Considers Market Trend Based on Bearish Factors Offsetting Bullish News—Broomhall Sticks to Estimate

Wheat buyers and sellers have apparently considered that the many bullish factors in the market have been approximately offset by the many bearish factors. The rise in the price of wheat during the month of January was 3½ cents. This is almost exactly accounted for by the fluctuation of sterling exchange at New York and of the Canadian dollar at London, which together, are considered to account for a rise of 3½ cents, according to the bulletin of the Searle Grain Co. Ltd.

Attention is drawn in the bulletin to the many potentially bullish factors enumerated, which may not yet have had their full effect on the market. In particular, it should be noted, the bulletin says, that Broomhall still expects world wheat importers to take the full 704 million bushels as he originally estimated. This, should it turn out to be correct, will unquestionably have a tendency later to raise prices, all others things, of course, being equal.

The bulletin presents bullish and bearish factors as follows:

Recorded Situation as of January 31, 1933

The price of No. 1 Northern, Fort William, on Dec. 31, 1932, was 41⅜ cents and on Jan. 31, 1933, was 44⅞ cents, showing an increase of 3½ cents during January. The spread between 1 and 2 decreased from 2½ cents to two cents. The total world shipments of wheat and flour for January (27 days) were 58 million bushels as compared with 59 million bushels last month (35 days) and 62 million a year ago.

Canadian shipments have been 18.3 million bushels during January (27 days), a substantial decrease from the 34 million for December (35 days), although still four million larger than the same month last year. The decrease is due to the much larger shipments from the Argentine and Australia.

Western Canadian farmers delivered 11 million bushels to country elevators as against 22 million last month and nine million for January a year ago.

The Canadian visible on January 31 was 230 million, a decrease of eight million bushels during the month.

On January 31 last year the Canadian visible was 192 million.

Factors That Have Occurred Tending to Cause a Rise in Price (Bullish)

The world visible, Jan. 31, was 448 million, a decrease of five million bushels during the month.

The similar visible a year ago was 475 million.

The world's carry-over (visible plus estimated wheat in farmers' hands) was estimated at 885 million bushels Jan. 31, a decrease of 57 million during the month. The world's carry-over on Jan. 31, last year, was 859 million bushels.

Sterling in New York, Jan. 31, was $3.39, an increase of eight cents during the month.

The Canadian dollar in New York, Jan. 31, was 85 cents, a decrease of three cents during the month.

Sterling at Montreal, Jan. 31, stood at $4.02, an increase of 22 cents during the month.

The U. S. A. Farm Board announces that it will not liquidate its holdings of wheat futures for some time.

Further deterioration of the U. S. A. crop reported.

Great Britain, France and Germany report a better business tone.

U. S. A. farmers holding back wheat until the fate of proposed farm relief bill is settled.

Russian wheat conditions continue unfavorable.

Dominion final estimate of Canadian wheat crop reduced by 2.6 million bushels.

India imports Australian wheat.

Russian winter wheat acreage decreased 13 per cent from last year.

America's invitation to Great Britain to discuss war debts considered favorable factor.

Broomhall estimates cold winter wheat in Europe may stimulate consumption of wheat bread and so improve demand for foreign wheat.

Persistent news that Russia may import wheat during coming spring and summer.

The Argentine Bank estimates one-third of the entire corn crop in that country destroyed.

Nat. C. Murray, statistician for the Clement Curtis Co., Chicago, estimates more wheat being consumed in the U. S. A. and more fed to livestock than previously estimated. Extra disappearance may be 40 million bushels.

Searle Grain Co. advised by country correspondents that more wheat is being fed to livestock this year than last year and that last year's five cent bonus cleaned out farmers' bins, that stocks will be built up, so less wheat may come to market than calculated.

Mr. Broomhall estimates, due to high internal prices, European farm stocks have been greatly depleted, and that it may take very large amounts to build these up again to normal levels.

Factors That Have Occurred Tending to Cause a Drop in Price (Bearish)

World's weekly shipments increase from 11½ to 14½ million for four weeks of January. On passage (afloat) Jan. 27 was 46 million, Dec. 30 was 36 million—last year, Jan. 27, was 51 million.

Australia and Argentina press wheat for sale and ship heavily.

Sweden states she has wheat for export.

Uncertainty as to U. S. A. farm allotment plan prevents normal buying by millers and others.

Reports of good snow covering for winter wheat in Roumania, Bulgaria, Russia and Hungary.

Reports of good condition U. S. A. winter wheat east of the Mississippi.

Index number of wholesale commodities declined 1½ per cent Great Britain and two per cent U. S. A.

"Wheat Studies" Stanford University estimate world's importing requirements will be only 645 million bushels instead of their previous estimate of 700 million and Broomhall's estimate of 704 million.

Germany advises they can sell German flour to Czechoslovakia and Poland, and would buy Canadian wheat with the funds secured, but they cannot change the Polish and Czechoslovakian money for either gold or foreign exchange.

Vancouver Wheat Exports

Vancouver's grain exports for the calendar year set a new record for the port, according to figures prepared by the Vancouver Merchants' Exchange. The total was 104,700,471 bushels, as compared with the best previous calendar year's movement in 1928, when a total of 97,394,934 bushels was shipped. For the calendar year 1931 the export was 70,596,935 bushels.

DIFFICULTY SEEN IN PRICE RAISING BY INFLATION

Wheat Prices Get But Brief Stimulation From Drop in Can. Dollar

Last week's fluctuations in exchange indicated the difficulties that stand in the way of proposals to increase the price of wheat to the Canadian farmer by the simple expedient of depreciating the value of the Canadian dollar.

When a sudden drop occurred in the Canadian exchange, wheat prices felt the stimulation for a brief period but were soon back at practically the same level in Canadian currency. On other markets wheat prices weakened, traders seeing in the decline of the Canadian dollar the opportunity of other countries to buy wheat more cheaply.

The fact appears to be that while exporters and importers are accustomed to figure closely in terms of international exchange values, producers and other holders of wheat do their figuring in terms of domestic currency. On a buyers' market such as now prevails the principal influence which prevents prices going lower is the reluctance of holders to part with their grain, and a price has to be paid just sufficient to overcome that reluctance.

A change in the value of the Canadian dollar has no effect upon the mind of the holder, and has no tendency to advance his minimum selling price, while it does on the contrary, make it easier, if the change is in the nature of a decline, for the purchaser abroad to acquire the dollars with which to buy our wheat.

U.S.-Canada Price Example

The curious parallel between the course of United States prices and those in Canada illustrates this fact. No matter what the difference in exchange may be, Chicago and Winnipeg prices have for a long time tended to be very close together in cents per bushel, with Chicago somewhat above Winnipeg, when cash, and not future prices are considered. Allowing for the higher freight rates which prevail in the United States, it would seem that country prices sufficient to induce selling on the part of farmers are about the same in each country.

Outside of dealers whose actual business causes them to buy and sell exchange, there is a tendency for the exchange differential to be ignored. Winnipeg prices quoted in United States publications are practically always in Canadian funds, and the observer will have to look elsewhere than among the grain quotations for information to enable him to compare price levels on an international basis.

WEST PLEASED AT GOOD MARKET FOR RAW FURS

Bumper Crop Being Marketed at Improved Price Level

From Our Own Correspondent

WINNIPEG.—One of the bright spots in the business picture in Western Canada is the bumper crop of raw furs that is being harvested and successfully marketed. Raw furs have not been in such plentiful supply on this market for at least three years. Furthermore the quality is unusually high. The autumn and early winter was almost ideal for the "priming" of fur pelts both on the Prairies and in the higher latitudes.

One auction house in Winnipeg has just completed a major sale at which over $1,000,000 worth of furs passed into the hands of manufacturers and buyers with foreign connections. Although the entire collection offered at this sale had a current valuation of only $125,000, it was in every way an outstanding accumulation of representative Canadian furs and would have realized easily $350,000 at the peak of the market early in 1929.

Heavy Shipment Reported

Another firm, which also holds auction sales, reports that during the past two weeks large quantities of furs have passed through its warehouse and have been sold by private treaty. This firm is now preparing for an auction sale of substantial proportion. Other dealers in Winnipeg report heavy shipments of furs arriving from all sections of the west and north.

An interesting feature of recent auction sales, not only in Winnipeg but in Montreal and other large fur markets, has been the noticeable increase in the available ranch-bred pelts. Over 1,000 silver foxes were offered by the Dominion Fur Auction Co. here at its sale concluded on January 9. These were nearly all ranch-bred. Over 1,200 ranch-bred mink pelts were also offered and mostly sold. There was sold a scattering of red, cross and blue foxes which came from ranches.

Prices for most "wanted" furs had a substantial upturn in December and are still holding stubbornly to the advance. The current level is, however, still almost two-thirds lower than the peak of the 1929 prices.

For example at the last auction here silver fox brought a top price of only $62. Beaver brought up to $13.75, which was an advance over the December level but the skins offered were of much better quality than were available then so the comparison is hardly fair. Otter ranged up to $18, wolf to $9.75, badger to $18.50, and ermine (weasel) to 95 cents. The weasel, wolf, silver fox and mink collections were outstanding in point of size.

FEW U. S. A. FIRMS AFFECTED BY ORDER

Empire Content Clause Will Cause Change in Underwood Plans

Very few United States branch factories in Canada will be affected by the increase in the Empire content clause as it applies to the British market, the New York Times concludes after interviewing many of the United States' companies which have plants in Canada. In nearly every case, the Times was informed that no changes were necessary in order to comply with the order which comes into effect on April 1.

Underwood-Elliot Fisher Co., typewriter and business machine manufacturers, were an exception to the general rule. It was stated that the products manufactured in Canada contained sufficient Empire materials to qualify under the old 25 per cent clause but not sufficient to be included under the new ruling. "What will be involved in bringing it up to the new 50 per cent content requirement will not be known until we make a thorough survey," C. R. Strohm, assistant to the president of the parent company, is reported as stating, "but we do not feel that it will involve any great effort or outlay."

Some of the companies reported in the Times as stating that they were unaffected by the new order are: Johns Manville Co.; Quaker Oats Co.; Automatic Electric Co.; Fairbanks Morse & Co.; Crane Co.; Borden Co.

This Week in Wheat

From Our Own Correspondent

Weather Influences Winnipeg Mart

WINNIPEG,—Leadership in the past week's fluctuations in the wheat market has for the most part come from the United States. The course of prices there suggests that a weather market in wheat is developing and that the daily course of prices is likely to be influenced by the temperatures, and by the rainfall or the lack of it, in the United States winter wheat belt.

It seems to be accepted that the best of conditions from now on might result in a winter wheat crop of 400,000,000 bushels, while continuance of unfavorable conditions would mean a much smaller return. That the crop of 1933 will be less than the country's needs is accepted as assured, but a small difference in the deficiency, and in the extent to which accumulated carry-overs will have to be called on, might have disproportionately large influence on the course of prices. As estimates of that condition vary from day to day, the United States market appears likely to be affected. Conditions in markets there are still capable of affecting the course of other prices, as European markets are hardly yet reconciled to the idea that the United States is not likely to resume commercial wheat exporting on any considerable scale for many months.

Spreading operations between Winnipeg and Chicago occasionally tempt traders but they are dangerous since it is quite possible for United States prices and world prices to break apart and to pursue different courses.

* * *

European Buying Disappointing

EUROPEAN consumption of imported wheat continues to be somewhat disappointing and Oriental takings of Australian wheat to be somewhat encouraging. Australia is pushing her marketing, while sales of wheat from the Argentine are lagging. The Argentine is cutting prices enough to make some limited sales to Great Britain in spite of the duty of two shillings a quarter against her wheat, but not enough to disturb seriously sales of Canadian wheat in the United Kingdom. But the low duty countries of the continent seem to be finding Argentine wheat a satisfactory buy, while the high duty countries tend to stick to Canadian wheat for the limited purchases they make for mixing purposes.

While winter wheat acreage in western Europe is reported as practically the same as last year, Danubian acreage is claimed to be nearly a million acres higher than the previous year, due to extraordinary governmental efforts in supplying seed grain, in the hope of overcoming the results of last year's poor harvest.

* * *

Spring Comes to Winter Wheat Fields

SPRING has already commenced in the far southwest of the United States, and reports are beginning to come in of some growth, or at least some greening, in winter wheat fields. But the wheat area where the poorest crop prospects are recorded is still in winter, and some weeks must still pass before any useful idea of the situation can be obtained. It is, in fact, during the late winter and early spring when the greatest amount of damage to wheat usually occurs. Alternate freezing and thawing, once the snow blanket has melted off, is the usual trouble, while sometimes grain is smothered by sheets of ice forming on the field.

In the Eastern States, and also in Missouri, Eastern Kansas, Arkansas and Texas, winter grains are reported as being in reasonably good condition. It is in Western Kansas, in Oklahoma and in Nebraska where the crops range from very poor to fair, but these are the states where the greatest acreage is devoted to winter wheat. Reports of continued soil blowing, with no relief from drought conditions, are reminders of the condition of southern Saskatchewan during its prolonged drought period. Unsatisfactory conditions are also reported from the winter wheat area in the Pacific Northwest.

* * *

U. S. Exports Despite Price Handicap

THE fact that statistics continue to show some wheat and flour exports from the United States, in spite of the price condition that would apparently make such movement impossible causes some enquiry.

Obviously wheat cannot be bought in Chicago, in Minneapolis or in Kansas City, and shipped to any competitive market without a considerable loss being incurred. But there are a few export markets which because of shipping conditions, are not competitive. In addition there has been some wheat, which prior to the establishment of present price conditions had been placed in such position that it was cheaper to export it at a loss than attempt to move it back for domestic consumption.

This was the situation of a good deal of Farm Board Wheat, some of which had been placed in store in elevators in Eastern Canada, and some in seaboard elevators. Some of this wheat appears to have been delivered by the Farm Board to the Red Cross, and to have been sold abroad. When Congress appropriated 90,000,000 bushels of Farm Board wheat for free distribution, it provided no money for paying freight, bagging or milling costs, and some of the wheat appropriated had to be sold to meet such charges.

* * *

Mechanical Grain Trimmer Unsuccessful

FIRST commercial tests of a mechanical grain "trimmer" which were undertaken at Montreal this year have not proven successful, The Financial Post learns. This new development which was first employed in an experimental way in Vancouver has attracted considerable attention and was carried out during the past season in what might be termed the first real commercial test under a contract with the Cunard-Anchor-Donaldson line.

The all-mechanical equipment is controlled by a private company and although at first the device was thought to have considerable merit, the plan has apparently not proved commercially feasible. The tests showed little actual saving in cost compared with "trimming" by man power as considerable time was required to rig up the mechanical equipment, but the new device while it was operated did introduce a new element of competition in that the men accepted the challenge of the mechanical "trimmer" and made special effort to outdo the machine.

WHOLESALE PRICES REACH 1913 LEVEL

Farm Products Has Greatest Decline During 1932

The general index number of wholesale prices, calculated by the Dominion Bureau of Statistics, dropped 6.4 points during 1932 to close the year at 64.0, the exact average for 1913. This fall of 6.4 points was not so severe as the decline of 7.3 points recorded in 1931.

During the summer months, the price index steadied and made two small monthly increases. In June and July the index was 66.6, August saw a small rise to 66.8 and September to 66.9. During the autumn months, however, basic commodity markets turned decidedly weaker under the leadership of wheat, and the decline was resumed.

The index of Canadian farm product prices was the weakest during the year compared with 1931, falling to 42.7 in December, a decline of 11.1 points compared with 8.0 points in 1931.

Manufactured products were more stable than in 1931 although the index for fully and chiefly manufactured goods dropped 4.5 points during the year and the one for consumers' goods, also chiefly manufactured, dropped 2.0 points. These decreases, however, compared with 8.9 points and 9.6 points respectively in 1931.

Wholesale Price Indices
(1926 = 100)

	December		Decline	
	1931	1932	1931	1932
General Index	70.4	64.0	7.3	6.4
Producers' goods	67.4	58.6	8.9	8.8
Consumers' goods	73.6	71.6	9.6	2.0
Building materials ..	79.3	76.2	4.7	3.1
Raw & part. manufact'd	60.2	51.1	7.1	9.1
Fully & chiefly manufact'd	72.6	68.1	8.9	4.5
Farm prod. ..	53.8	42.7	8.0	11.1

Winnipeg Grain Prices

Week to February 7

Crop year from Aug. 1, 1932 High	Low		Open Feb. 1	High for week	Low for week	Close Feb. 7
		Wheat				
.67⅝	.40½	May	.47⅛	.47⅝	.46⅜	.47¼
.54⅞	.41¾	July	.47⅞	.48½	.47⅛	.48
.50¾	.46⅞	October	.49⅝	.49⅝	.48¼	.49⅛
		Oats				
.29½	.21⅛	May	.24⅛	.24⅝	.24⅛	.24⅛
.26	.21½	July	.23⅛	.23⅝	.22⅞	.23⅛
.23½	.21⅞	October	.22⅝	.22⅝	.22¼	.22½
		Barley				
.38½	.26⅛	May	.30¼	.30⅝	.29¾	.29⅞
.35¾	.26	July	.....	.29⅝	.28½	.28⅞
.29½	.28	October	.....	.28⅝	.28	.28⅝
		Flax				
.94	.71¼	May	.80	.80⅝	.78	.79⅜
.84½	.71⅝	July	.79¾	.80⅛	[illegible]	[illegible]
.84	.76	October	.79⅝	.80⅛	.78¼	.79¼
		Rye				
[illegible]	[illegible]	May	.34⅛	.34⅝	.32¾	.33⅞
[illegible]	[illegible]	July	.34⅝	.34⅞	.33	.34

1832 1933

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A. J. Pattison, Jr. & Co. LIMITED
INVESTMENT BANKERS
Dealers in Unlisted Bonds and Shares
Royal Bank Bldg. (Third Floor) Toronto, 2 Elgin 5101 10 Lines

Policyholders Pleased With Progress Of The Mutual Life of Canada

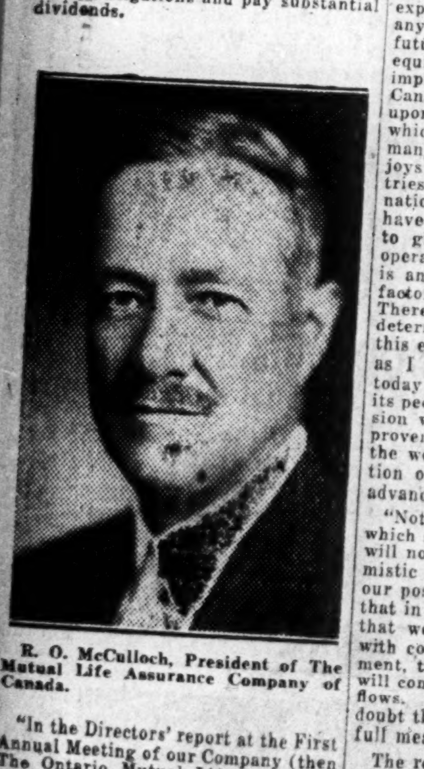
Continued Growth Revealed at Annual Meeting — $5,034,911 Paid in Dividends in 1932 — Liberal Dividend Policy for Current Year — Insurance in Force and Assets Increased — Company's Operations During 63 Years Result in Outstanding Returns to Policyholders

Waterloo, Ont., Feb. 2, 1933.—Continued growth and satisfactory progress were revealed in the reports presented to the policyholders of the Mutual Life of Canada at the Annual Meeting held here today. Notwithstanding adverse economic conditions assurances in force were increased to $517,967,974. New assurances issued and paid for amounted to $44,038,582. The Company's assets increased by $6,350,263 to a total of $132,198,392. $5,034,911 was the amount paid as dividends to policyholders and the total payments to policyholders and beneficiaries amounted to $17,146,547. Surplus funds and contingency reserves at the end of the year were $11,853,106.

In his address, the President of the Company, Mr. R. O. McCulloch, paid tribute to the memory of the late Chairman of the Board, Mr. C. M. Bowman. After reviewing conditions that prevailed in Canada during 1932 and their effect on the economic life of the nation, Mr. McCulloch discussed the year's operations of the Mutual Life in particular and the splendid results achieved for policyholders in spite of unusual conditions.

He said:

"While the financial statement indicates clearly that it has again been deemed advisable, in the values placed on our securities, to make substantial provision against possible losses, it must be a source of satisfaction to every policyholder to know that it has been possible to make these provisions out of the surplus earnings of the Company for the year without affecting our ability to make surplus distribution to the policyholders in 1933 closely approaching that of the previous year. This has been possible only by reason of the close adherence to the sound principles of risk selection, investment and management, which has characterized the Company throughout its long history. However, I wish to emphasize the fact that, important as the soundness of its list of physical assets may be, one of the most valuable assets of a life insurance company is the earning power of its business in force, and this depends upon the good will and confidence of its policyholders. The real measure of a company's strength cannot be safely gauged by the amount of new business which is being written, as this can be increased by added expenditure in the development of additional organization and by high pressure methods which may be exerted to sell more and more business, regardless of the ability of the policyholder to pay his premiums. Nor are the presently quoted prices of the assets in its portfolio list a true criterion of a company's real worth, as prices today are doubtless in many cases much below intrinsic worth values, and many securities now quoted at a discount will be held till maturity and paid at par. Many of the possible losses for which provision is being made today will in all likelihood prove to be more imaginary than actual. However, the confidence in which a company is held by its policyholders, of which practical evidence is found in the persistence of its policies, is a true and lasting characteristic of its inherent soundness and the assurance of future success. Such losses as may be sustained from time to time through actual depreciation of a reasonable asset structure, based on careful investment, can easily be met as they occur from the normal profits which accrue from a well underwritten business in force without in any way impairing the ability to meet policy obligations and pay substantial dividends.

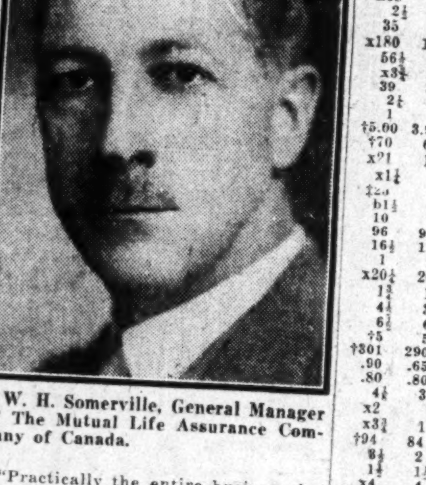


R. O. McCulloch, President of The Mutual Life Assurance Company of Canada.

"In the Directors' report at the First Annual Meeting of our Company (then The Ontario Mutual Life Assurance Company) on the 15th of February, 1871, a statement was made which has often appeared in the literature of our Company, and which I believe may with benefit be repeated at this time. In outlining the objects of the promoters of the Company, it was stated that the founders were led to entertain the project of establishing a life insurance company, based upon purely mutual principles, believing it highly desirable that the benefits of life insurance should be extended as widely as possible and at the cheapest rates compatible with safety to the assured.

"In the sixty-two years which have elapsed since this statement was made, I believe that the hopes of the founders have been fulfilled. The operations of our Company have been marked by economy, efficiency and progressiveness, and notwithstanding the vicissitudes of former depressions, of war and of pestilence, which have on occasions temporarily checked its rate of growth, our Company has maintained unimpaired its financial strength, and its record of generous premium refunds or dividends to policyholders which has justified the main principle upon which the Company was established—that of furnishing life insurance at the lowest rates compatible with safety to the assured.

"At the present time, when low commodity prices and depressed world trade are adversely affecting general business and many of our basic industries, the advantage of participating as contrasted with non-participating life insurance is being questioned; but I believe the statement which our Company presents today affords the answer to this question—viz.; even in a great and protracted depression sufficient dividends can be paid to render insurance cheaper under participating than under non-participating policies. It is apparent that the large amount of our earnings in the past year not only enables our Company to make provision for the depreciation which has taken place in investments, but is sufficient to provide generous dividends to policyholders even in these strenuous times; and when the improvement in conditions comes, as we are all sure it will, our policyholders will benefit accordingly.



W. H. Somerville, General Manager of The Mutual Life Assurance Company of Canada.

"Practically the entire business issued by this Company since its organization sixty-three years ago has been on the participating plan, and the results under our policies show conclusively that the participating plan has been much superior to the non-participating plan for our policyholders. I wish to definitely state, therefore, that insofar as our Company is concerned we favor participating plans, because we believe that our policyholders will obtain the best results from them.

"I trust I have made it clear to you that we have a well-founded confidence in the future prosperity of our Company and our country, but you will not expect and I will not attempt to offer any prophecy as to the immediate future. Our organization is well equipped to take advantage of any improvement in business throughout Canada, but we necessarily depend upon the prosperity of the community which we are serving, and in spite of many advantages which Canada enjoys in comparison with other countries we are not independent of international conditions. All Governments have been slow to realize, or at least to give effect to the view, that co-operation rather than hard bargaining is an important, if not the essential factor in bringing about a recovery. There are many signs indicating that determined and promising efforts to this end will shortly be made. So far as I know, there is no Government today which has any real hope that its people can emerge from the depression without contributing to the improvement of conditions throughout the world, and the universal recognition of this is a substantial step in advance.

"Notwithstanding the difficulties which still confront us, I am sure you will not think that I am unduly optimistic when I express the view that our position in Canada is better than that in almost any other country, and that we may therefore look forward with confidence to a definite improvement, though we cannot hope that it will come quickly or without ebbs and flows. When it comes there is no doubt that the Mutual will share it in full measure."

The retiring members of the Board, Messrs. R. O. McCulloch, L. L. Lang, Glyn Osler, K.C., W. J. Blake Wilson and W. H. Somerville, were re-elected.

At a meeting of the Board held subsequent to the Annual Meeting, Mr. R. O. McCulloch was re-elected President, Mr. L. L. Lang First Vice-President, and Hon. S. C. Mewburn, K.C., Second Vice-President.

In addition to the Directors who were re-elected, the following are members of the Board: Mr. L. J. Breithaupt, Kitchener; Mr. Hume Cronyn, London; Mr. W. G. Watson, Toronto; Mr. T. A. Russell, LL.D., Toronto; Hon. J. Fred Fraser, Halifax; Mr. Isaac Pitblado, K.C., LL.D., Winnipeg; Mr. E. G. Long, K.C., Toronto; Hon. J. E. Perrault, K.C., Arthabaska, Que.; and Mr. C. F. Sise, Montreal, Que.

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING FEBRUARY 6

Range 1933 High	Range 1933 Low	Divd. Rate in $	Yield in % Feb. 4		Sales	Close Jan. 30 (or last)	Week Ending Feb. 6 High	Low	Close
				A					
.37	.25	.	...	Abitibi	....	.30	..	..	..
1¾	1	.	...	Do. pref. 6%	....	1¼	..	..	..
x80	80	7	...	Acme F. D'y p	....	80	..	..	..
x5	4½	.	...	Agnew Surp.	....	5	..	..	..
60	60	7	11.7	Do. pref.	....	60	..	..	..
4	4	.	...	Alta. Pac. Gr.	....	4	..	..	..
21½	20	.	...	Do. pref.	....	20½	..	..	..
x3¼	1½	.	...	Amal. Electric	....	1½	..	..	..
x11	5	.	...	Do. pref.	....	5	..	..	..
†3½	3½	.	...	Anglo. N. Hold.	....	..	..	..	..
x.30	.15	.	...	Asbestos	....	.20	..	..	..
.60	.60	.	...	Do. pref.	....	.60	..	..	..
5	4	.	...	Assoc. Brew.	25	4½	4	4	4
72	65	7	10.7	Do. pref.	60	68½	65½	65	65½
x3	3	.	...	Assoc. Can.	....	3	..	..	..
†69	65	.	...	Assoc. Tele.	....	..	..	..	..
x30	16	.	...	Atlan. Sugar	....	20¾	..	..	..
x120	92	.	...	Do. pref.	....	120	..	..	..
				B					
129	128	10	7.7	Bk. Can. Nat.	50	128	129	129	129
189	170	10	5.9	Bk. Montreal	474	179	177¼	170	170
265	256	14	5.4	Bk. N. Scotia	61	256	260	257	257
172	164	10	5.9	Bk Toronto	7	170	170	167	170
x10½	10½	.	...	Barcelona	....	10½	..	..	..
2¼	1	.	...	Bathurst Pr.	10	2½	2½	2½	2½
x1½	½	.	...	Do. (B)	....	1	..	..	..
†26	26	.	...	Bawlf Grain	....	..	..	..	..
x20	15	.	...	Do. pref.	....	15	..	..	..
4	4	.	...	Beath & Sons	65	4	4	4	4
5	3½	.	...	Beatty Bros. A	10	3½	4¼	4¼	4¼
57	56	6	10.5	Do. pref.	5	56	57	57	57
1.50	.70	.	...	Beauharnois	5140	1.00	1.12	.90	.95
x63	60	7	...	Belding Cort.	....	63	..	..	..
89	89	7	7.9	Do. pref.	45	89	89	89	89
100	88	7	7.9	Bell Telephone	1044	91	91	88	88½
3¼	3¼	.	...	Biltmore Hats	....	3¼	..	..	..
65	63	7	10.8	Do. pref.	....	65	..	..	..
x4	1½	.	...	Bissell, T. E.	....	1½	..	..	..
†97	88	.	...	Do. pref.	....	..	..	..	..
x8	2	.	...	Blue Ribbon	....	2	..	..	..
12	11¼	2	17.4	Do. pref.	....	11½	..	..	..
19	19	2	10.5	Brant. Cd. pf.	95	19	19	19	19
10	8	.	...	Brazilian Tr.	21318	8⅞	9	8	8⅛
.55	.55	.	...	Brew. & Distil.	....	.55	..	..	..
¼	⅛	.	...	Brewing Corp.	....	¼	..	..	..
1½	1	.	...	Do. pref.	50	1½	1	1	1
8½	7½	80c	10.3	Brit. Amer. Oil	13252	7½	7¾	7½	7¾
1.50	1.00	.	...	B.C. Packers	400	1.12	1.50	1.25	1.50
7½	6	.	...	Do. pref.	60	6¼	7¼	7¼	7¼
16½	14	2	13.5	B.C. Power A	1394	16	16¼	14	14¾
4¾	3	.	...	Do. (B)	655	4	4	3	3⅛
4½	4	.	...	Bruck S. Mills	50	4	4	4	4
12¼	10¾	1	9.6	Building Prod.	110	12	10¾	10⅝	10¾
28	21	2.40	10.9	Burt, F. N.	560	25½	25½	21	21
				C					
x125	120	6	5	Calgary Pr.	....	120			
1⅞	1¼	.	...	Canada Bread	115	1½	1¼	1¼	1¼
68	68	7	10.3	Do. pref. A	....	68	..	..	..
10	10	.	...	Do. pref. B	....	10	..	..	..
6¾	6	1	15.1	Canada Bud	265	6½	6¾	6⅝	6⅝
3½	2½	.	...	Canada Cement	576	3	3⅛	2⅞	3⅛
20½	16	.	...	Do. pref.	76	20¼	20½	20	20½
b10⅝	8¾	1	11.4	Canada Dry	1000	9⅛	9⅞	8¾	8¾
2½	2	.	...	Can. Forg. A	....	2½	..	..	..
x7½	2	.	...	Do. (B)	....	7½	..	..	..
x15	15	.	...	Canada Iron	....	15	..	..	..
†80	75	3	...	Do. pref.	....	..	..	..	..
425	425	20	4.7	Canada Life	10	400	425	425	425
14	13½	1.50	10.9	Can. Malting	1725	13¾	14	13½	13¾
x17	9	80c	..	Can. Nor. Pr.	....	13½	..	..	..
70	65	7	10	Do. pref.	51	69¼	70	70	70
†6	⅝	.	...	Can. Paving	....	..	..	..	..
10	5	.	...	Do. pref.	....	5	..	..	..
153	135	12	8.9	Can. Perman.	207	136	136	135	135
x1.00	.50	.	...	Can. Pr. & Pa.	....	.55	..	..	..
x3½	¾	.	...	Can. Steamsh's	....	1½	..	..	..
4	2½	.	...	Do. pref.	170	3½	3½	3	3
15½	13¼	1.60	10.7	Can. Vinegars	10	15	15	15	15
x55	28¾	.	...	Can. W. Cable	....	32	..	..	..
8¾	8	.	...	Do. (B)	5	8	8	8	8
x1¼	1¼	.	...	Can. Bakeries	....	1¼	..	..	..
x14	5	.	...	Do. pref.	....	5	..	..	..
140	133	10	7.3	Can. Bk. Com.	142	138	137	133	137
14½	13½	1.25	8.6	Can. Bronze	....	14½	..	..	..
81	78¾	7	8.7	Do. pref.	....	80	..	..	..
3⅜	3	.	...	Can. Canners	285	3⅝	3¼	3	3
55	50½	6	10.9	Do. 1st pfd.	25	52	55	55	55
5¼	4½	40c	8.9	Do. 2nd pfd.	100	4½	4½	4½	4½
4⅛	3¾	.	...	Can. Car & F'y	590	3½	3¾	3½	3½
12	10	1.75	15.9	Do. pref.	662	11	11¼	10⅞	10⅞
9¼	9	.	...	Can. Celanese	100	9	9	9	9
84	77	7	8.3	Do. pref.	25	80	84	80	80
16	14⅞	2	13.3	Can. Convert.	....	15	..	..	..
‡50	45	.	...	Can. Cottons	....	..	..	..	..
47	47	6	12.8	Do. pref.	50	47	47	47	47
13¾	11½	1	...	Can. Dredge	5	11½	11½	11½	11½
†92	92	7	...	Do. pref.	....	..	..	..	..
x68	60	6	...	Can. Fairb. pf.	....	60	..	..	..
2½	2⅛	.	...	Can. For. Inv.	....	2⅛	..	..	..
35	35	2¼	...	Do. pref.	....	35	..	..	..
180	110	4	3.6	Can. Gen. Elec.	....	110	..	..	..
56½	54½	3.50	6.4	Do. pref.	37	55	55	54½	54½
x3¾	3¾	.	...	Can. G. Inv. T.	....	3¾	..	..	..
39	35¼	6	16.4	Can. Hyd. El. p	145	37	37	35¼	37
2¼	1⅜	.	...	Can. Ind. Alc.	425	1¾	1¾	1½	1½
1	1	.	...	Do. (B)	5	1	1	1	1
†5.00	3.95	.	...	Can. Int. I. Tr.	....	..	..	..	..
†70	64½	.	...	Do. pref.	....	..	..	..	..
x21	15	1	6.7	Can. Lt. & Pr.	....	15	..	..	..
x1¼	1	.	...	Can. Locomo.	....	1	..	..	..
‡25	5	.	...	Do. pref.	....	..	..	..	..
b1½	1	.	...	Can. Marconi	2700	1	1⅛	1	1
10	7	50c	7.1	Canadian Oil	35	8¼	7	7	7
96	93	8	8.6	Do. pref.	....	93	..	..	..
16½	11⅞	.	...	Can. Pacific	9514	13¾	13¾	11⅞	12⅜
1	1	.	...	Can. Vickers	....	1	..	..	..
x20½	20½	.	...	Do. pref.	....	20½	..	..	..
1¾	1⅛	20c	11.4	Can. Wineries	50	1½	1¾	1¾	1¾
4½	3½	.	...	Can. Wire Box	20	4	3½	3½	3½
6½	6	.	...	Catelli Mac (A)	45	6½	6	6	6
÷5	5	.	...	Do. (B)	....	..	..	..	..
†301	290	10	...	Cent. Can. L'n.	....	..	..	..	..
.90	.65	.	...	Chem. Research	300	.90	.72	.70	.72
.80	.80	.	...	Caulde Neon	....	.80	..	..	..
4⅛	3	.	...	Cockshutt Plow	1776	3½	4	3¼	3¼
x2	½	.	...	Comm. Alcohol	....	1½	..	..	..
x3¾	1	.	...	Conduits	....	1¼	..	..	..
†94	84	.	...	Do. pref.	....	..	..	..	..
8½	2	.	...	Cons. Bakeries	35	2⅞	3	2¾	2¾
1½	1½	.	...	Cons. Industries	50	1	1½	1½	1½
x4	4	.	...	Cons. Paper	....	4	..	..	..
5	3½	.	...	Cons. Press	20	5	5	3½	5
x35	30	.	...	Cons. Sand. p.	....	35	..	..	..
68	57½	10%▲	..	Cons. Smelters	1526	62¼	62½	58	58
175	170	10	5.7	Consumers Gas	50	173⅝	175	174	175
‡35	30	.	...	Cooksville Co.	....	..	..	..	..
‡85	85	.	...	Do. pref.	....	..	..	..	..
†20½	15	.	...	Corpor. Steel	....	..	..	..	..
‡90	90	.	...	Corr. P. Box p.	....	..	..	..	..
1¾	1½	.	...	Cosgrave Brew.	....	1¾	..	..	..
3	3	.	...	Cosmos Imp.	....	3	..	..	..
47½	47½	3.50	7.4	Do. pref.	15	47½	47½	47½	47½
3¼	2	.	...	Crown Dom. Oil	25	2½	2	2	2
x20	8	6	...	Crow's N. Coal	....	15	..	..	..
				D					
1¼	1¼	.	...	David & Fre. B.	....	1¼	..	..	..
†12½	12½	.	...	De Havilland	....	..	..	..	..
x15	10	.	...	Do. pref.	....	10	..	..	..
†9	5	.	...	Disher Steel	....	..	..	..	..
†10	10	.	...	Do. pref.	....	..	..	..	..
5⅛	4½	.	...	Distill-Seagram	305	4½	4¾	4½	4½
5	5	.	...	Dodge (A) pf.	....	5	..	..	..
x2	1¾	.	...	Do. (B)	....	2	..	..	..
148	135	10	6.8	Dom. Bank	24	146	147	146	146
18	13½	2	13.3	Dom. Bridge	1662	17¼	17	13½	13¾
x4	4	.	...	Dom. Coal	....	4	..	..	..
12	10	.	...	Dom. Engineer	....	11¾	..	..	..
58	42	5	11.9	Dom. Glass	25	42	42	42	42
102	100	7	6.9	Do. pref.	25	102	102	102	102
2¼	1½	.	...	Dom. Motors	30	1¾	1½	1½	1½
2	1½	.	...	Dom. Pr. Stubs	....	1½	..	..	..
1.12	.80	.	...	Dom. St. & C B	345	.85	.85	.80	.80
17½	16	1.20	6.8	Dom. Stores	534	17½	17½	17	17
1½	1½	.	...	Dom. Tar & Ch.	....	1½	..	..	..
9	5	.	...	Do. pref.	40	5	5	5	5
52½	46½	5	10.6	Dom. Textile	170	47	47	47	47
95½	95	7	7.4	Do. pref.	....	95	..	..	..
†12	10	.	...	Donnacona	....	..	..	..	..
1½	1	.	...	Dryden Paper	625	1¼	1	1	1
1	1	.	...	Duff. Paving	....	1	..	..	..
5	5	.	...	Do. pref.	....	5	..	..	..
				E					
x30	3	.	...	East. Koot. Pr.	....	3	..	..	..
†97	94½	.	...	Do. pref.	....	..	..	..	..
5	3	.	...	East. Dairies	75	3½	3½	3½	3½
x9½	9½	.	...	East. Steel	....	9½	..	..	..
x74	74	7	...	Do. pref.	....	74	..	..	..
‡34	34	2	...	East. Theatres	....	..	..	..	..
†85	80	7	...	Do. pref.	....	..	..	..	..
x1	1	.	...	Easy Washer	....	1	..	..	..
7½	7½	75c	10	Economic Inv.	....	7½	..	..	..
†15	15	.	...	Edmonton D'y.	....	..	..	..	..
†80	78½	6.50	..	Do. pref.	....	..	..	..	..
x4	4	.	...	Enam. & Heat.	....	4	..	..	..
8	8	.	...	Eng. Electric	20	..	8	8	8
1½	1½	.	...	Do. (B)	5	..	1½	1½	1½
				F					
x8	6	.	...	Fam. Players	....	..	..	..	..
x10	7½	.	...	Do. Vot. Tr.	....	..	..	..	..
10	8½	25c	...	Fanny Farmer	....	8¾	..	..	..
23	23	2.40	10.4	Do. pref.	....	23	..	..	..
†83½	75	.	...	Firstbrook Box	....	..	..	..	..
8	6⅝	.	...	Ford Motors A	1859	7¼	7½	6⅝	7
1½	1½	.	...	For. Pr. Secs.	....	1½	..	..	..
x9	4	.	...	Foundation Co.	....	4	..	..	..
.25	.25	.	...	Fraser Cos.	....	.25	..	..	..
x50	50	.	...	Front. Brew.	....	50	..	..	..
x50	50	.	...	Do. pref.	....	50	..	..	..
†8	5	.	...	Frost Steel	....	..	..	..	..
x87	35	.	...	Do. pref.	....	25	..	..	..
				G					
1.12	.70	.	...	Gen. St. Wares	....	.75	..	..	..
67½	54	5	8.3	Goodyear Tire	55	62	62	54	54
91	85	7	7.9	Do. pref.	66	88	88½	88	88
†93½	93½	.	...	Gould Pumps, p	....	..	..	..	..
⅛	⅛	.	...	Gt. W. Saddlery	....	⅛	..	..	..
x8	5	.	...	Do. pref.	....	8	..	..	..
7½	5	60c	8.6	Gurd, Chas.	....	7	..	..	..
x106	100	7	...	Do. pref.	....	100	..	..	..
2¼	1⅛	.	...	Gypsum, Lime	675	2	2¼	1⅛	2
				H					
3	2¼	.	...	Ham. Bridge	40	3	3	2½	3
x60	44½	.	...	Do. pref.	....	45	..	..	..
5¼	5¼	.	...	Ham. Cot., pf.	....	5¼	..	..	..
2½	2½	.	...	Ham. U. Theat.	....	2½	..	..	..
x53	30	7	...	Do. pref.	....	30	..	..	..
⅞	⅞	.	...	Hayes Wheel	....	⅞	..	..	..
x4	4	.	...	Do. pref.	....	4	..	..	..
‡50	50	.	...	Hillcrest Coll.	....	..	..	..	..
‡91	91	.	...	Do. pref.	....	..	..	..	..
2¼	2	.	...	Hinde & Dauch	....	2	..	..	..
†75	75	.	...	Holt Renfrew	....	..	..	..	..
‡96½	90	7	...	Do. pref.	....	..	..	..	..

x Quotations for 1932. No sales recorded in 1933 to date.
† Quotations for 1931.
‡ Quotations for 1930.
b New York Quotations.
* Stock dividend.
▲ On account of arrears covering quarter ended Mar. 31, 1932.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited) Investment Bankers, Toronto

February 7, 1933

Industrial Stocks	Bid	Asked
Acadia Sugar c.	.35	.65
Acadia S. 6% pfd.	2.75	3.25
Acme Farmers Dairy 7% pfd.	58.50	
Acme Glove pfd. bonus com.	7.50	10.00
Agnew Surpass 7% pfd.	58.50	...
Allens Beach 7% pfd. bonus c.	30.50	...
Allens College 7% pfd. bonus c.	30.50	...
Allens London 7% pfd. bonus c.	30.50	...
Allens St. Clair 7% pfd. bonus c.	30.50	...
Allens St. Cath. 7% pfd. bonus c.	30.50	...
Allens Toronto 7% pfd bonus c.	15.50	...
Andian National Corp.	19.75	23.00
Atlantic Sugar "A" pfd.	69.50	...
B. C. Pulp & Paper pfd.	5.25	8.00
Burns pfd. bonus com.	3.00	4.50
Canada & Dom. Sugar	21.50	22.25
Canada Machinery com.	1.50	3.00
Canada Machinery pfd.	11.50	...
Canada Packers com.	10.00	12.50
Canada Packers 7% pfd.	70.50	...
Canada Starch 7% pfd.	62.00	68.00
Canada Tea 7% pfd.	48.50	53.00
Can. Wire & Cable 6½% pfd. WW	...	71.00
Can. Industries com. "A"	70.00	...
Can. Industries com. "B"	67.00	71.00
Can. Industries 7% pfd.	115.00	...
Can. W'house	35.00	...
Claude Neon Gen. Adv. Units	...	17.50
Claude Neon Gen. Adv. com.	.55	1.00
Dom. Foundries & Steel 8% pfd.	...	63.50
Dom. Foundries & Steel com.	...	4.25
Dom. Manufacturers 7% pfd.	69.00	69.50
Dunlop Tire 7% pfd	40.00	...
Eastern Dairies Ltd. 7% pfd.	49.00	...
Edmonton Stockyards Units	38.50	52.00
Federal Grain 6½% pfd.	20.25	25.00
Gen. Steel Wares pfd.	5.25	7.00
Goderich Elevator & Transit	6.50	7.50
Greening Wire 7% pfd.	...	60.50
Guardian Realty 7% pfd.	15.00	23.00
Guelph Carpet 6½% pfd. bonus	65.50	72.00
Guelph Carpet		
Inter. Proprietaries "A"	24.50	26.50
Langleys Ltd. 7% pfd.	...	35.00
Loew's London c.	.40	.90
Loew's London 7% pfd.	3.25	4.25
Massey-Harris 5% pfd.	11.50	12.75
Mount Royal H. c.	.25	...
Mount Royal H. 6% pfd.	3.00	4.00
National Grocers c.	.50	1.10
National Grocers 7% 2nd pfd.	41.00	...
National Sewer Pipe com.	6.00	...
Neilson, Wm. c.	4.25	...
Paramount Kitchener pfd.	26.50	...
Paramount Oshawa com.	4.25	...
Paramount Oshawa pfd.	29.00	...
Provincial Paper 7% pfd.	29.50	33.00
Reliance Grain 6½% pfd.	43.25	...
Rolland Paper 6% pfd. WW	27.50	...
Standard Clay Products com.		13.25
Standard Fuel 6%½ pfd. bonus	56.50	60.00
Supersilk pfd. bonus	24.25	...

Ind. Stocks, Cont'd.	Bid	Asked
Supertest Petroleum "B"	16.75	20.00
Toronto Elevators 7% pfd.	73.00	76.00
Western Grain 6½% pfd. bonus	15.00	22.00
Willards Chocolates pfd.		20.00
Insurance Stocks:		
British American Assce.	30.50	40.00
Can. Life Assce	415.00	450.00
Candn. Fire Ins.	49.00	55.00
Confederation Life 20% pd.	130.50	138.00
Continental Life 20% pd.	38.50	...
Crown Life Ins.	85.00%	...
Dom. Fire Ins.	83.00	...
Dom. Life 50% pd.	140.00	...
Dom. of Canada Gen. Ins.	...	120.00
Excelsior Life 30% pd.	80.00	86.00
Fidelity Ins. of Canada	...	69.50
Great West Life Assce.	225.50	235.00
Guarantee Co. of N. A.	227.50	...
Halifax Fire Ins.	9.00	10.00
Imperial Life	245.00	260.00
Manuf. Life Ins.	230.00	260.00
Monarch Life 10% pd.	16.25	...
National Life 25% pd.	...	69.00
Saskatchewan Life 10% pd.	...	13.00
Sovereign Life 25% pd.	17.00	...
Sun Life Assce.	305.00	330.00
Western Assce. c.	14.50	18.00
West. Life 20% pd.	7.25	...
Trust & Loan Stocks:		
Can. Amer. Trust Sh.	2.25	3.00
Can. Gen. Invest. Ltd.	3.00	3.20
Chartered Trust	...	69.00
Debenture & Sec. 5% pfd.	...	20.00
Eastern Can. Sav. & Loan	105.00	110.00
Eastern Trust	140.00	150.00
Guelph & Ont. Inv. par $50	44.00	55.00
Investment Foundation Units	19.50	...
Lambton Loan & Savings	50.50	56.00
London & Western Trust	72.50	...
Mortgage Discount pfd.	2.25	3.00
Premier Trust	65.00	...
Provincial Bank	92.00	98.00
Security Loan & Savings	94.50	104.00
Sherbrooke Trust	101.00	111.00
Sterling Trust	52.00	59.00
Traders Finance c.	...	.70
Traders Finance 7% "A" pfd.	18.50	...
Trusts & Guarantee	38.50	46.00
Victoria Trust & Savings	139.00	160.00
Waterloo Trust & Savings	101.00	115.00
Power Issues:		
B. C. Elect. Pwr. & Gas pfd.	88.00	89.50
Calgary Power 6% pfd.	...	65.00
Can. Light & Power c.	13.00	18.00
Can. West. Nat. Gas LH&P c.	20.50	...
Can. West. Nat. Gas LH&P pfd.	70.00	73.00
Great Lakes Power 7% pfd.	...	64.50
Maritime Tel. & Tel. c.	8.00	9.50
Maritime Tel. & Tel. 7% pfd.	10.25	11.50
N. B. Tel. c.	6.75	7.60
Nova Scotia L&P 6% pfd.	71.00	80.00

Recent London Quotations:

Brewers & Distillers	3s. 3d.
Can. & For. sec.	3. 9d.
Can. West Lumber	1s.
Hudson's Bay	18s. 9d.
Do., 5% pref.	71s. 3d.
Internat. Holdings	$1½
Nfld. Pr. & Pap. deb. stock "B"	88
Trust & Loan of Can.	9d.

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)

February 7, 1933

Industrial Bonds:	Bid	Asked
Abitibi P. & P. 5% 1953	15.50	17.00
Acadia Sugar 6% 1946	85.00	87.50
Alta. Pac. Grain 6% 1946	73.00	76.00
American Sales Book 6% 1939	105.00	....
Arnold Bros. 6% 1947	25.00	35.00
B. A. Oil 5% 1945	84.[illegible]	88.00
Can. Biscuit 6½% 1946	23.00	27.50
Can. Bread 6% 1941	83.00	85.00
Can. Cement 5½% 1947	69.00	72.00
Can. Steamship 5% 1941	17.50	19.00
Can. Bakeries 6½% 1945	50.00	60.00
Can. Canners 6% 1950	....	80.00
Can. Copper Refin. 6% 1945	100.00	....
Can. Cottons 5% 1940	82.00	85.00
Can. Vickers 6% 1947	63.00	65.00
Cons. Invest. 4½% 1959	28.00	32.00
Cosmos Imp. Mills 6½% 1944	80.00	85.00
Davies, Wm. 6% 1942	86.00	90.00
Debenture & Sec. 4% 1936	53.00	56.00
Dom. Manufacturers 6% 1933	95.00	....
Dom. Tar & Chemical 6% 1949	59.00	62.00
Dom. Telegraph 5½% 1978 "A"	86.00	87.50
Dom. Textile 6% 1949	98.00	100.00
Dom. Woollens 6% 1948	14.00	....
Donnacona Paper 5½% 1948	15.00	18.00
Eaton Realty 5% 1949	77.50	80.00
Famous Players 6% 1948	60.00	65.00
Famous Players 6½% 1948	40.00	45.00
Federal Grain 6% 1949	72.00	74.00
Fraser Cos. 6% 1932	10.00	....
Fraser Cos. 6% 1950	10.00	....
Galt Brass 7½% 1941	....	30.00
Goodyear Cotton 6% 1949	98.00	....
Great Lakes Paper 6% 1950	18.00	20.00
Gypsum, Lime & Alab. 5½% 1948	....	37.00
Harris Abattoir 6% 1947	87.00	90.00
Howard Smith 5½% 1953	54.00	56.00
Loew's Toronto 6% Serial	99.00	....
London Realty 6½% 1950	38.00	40.00
Maple Leaf Milling 5½% 1949	....	43.00
Massey-Harris 5% 1947	52.00	56.00
McColl-Frontenac 6% 1949	84.00	86.00
McKinnon Industries 6½% 1945	93.00	97.00
Mercury Mills 5½% 1953	....	40.00
Metropolitan Bldg. 7% 1944	88.00	....
Nor. Ont. Bldg. 6½% 1939	62.00	66.00
Price Bros. 6% 1943	30.00	33.00
Richmond Bay 6½% 1947	58.00	65.00
Rolland Paper 5½% 1948	74.00	....
Simpson's Ltd. 5½% 1949	50.00	55.00
Simpson's Ltd. 6% 1949	50.00	56.00
Steel of Canada 6% 1940	103.00	106.00
Toronto Carpet 6% 1944	75.00	80.00
United Gas & Fuel 5½% 1948	53.00	56.00
United Grain Growers 5% 1948	75.00	77.00
United Grain Growers 5½% 1949	76.00	79.00
Western Grain 6% 1949	59.00	63.00
Public Utility Bonds:		
Bell Telephone 5% 1955	114.00	115.00
Bell Telephone 5% 1957	113.00	115.00
B. C Power 5½% 1960	80.00	82.00
B. C. Telephone 5% 1960	91.00	94.00
Calgary Power 5% 1960	76.00	80.00
Can. Northern Pwr. 5% 1953	76.00	80.00
Duke Price Pwr. 6% 1966	61.00	63.00
Elect. Develop. 5% 1933	117.00	120.00
French Natl. Mail SS 6% 1952	122.00	125.00
Gatineau Pwr. 6% 1941 "A"	58.00	61.00
Gatineau Pwr. 5% 1956	78.00	79.50
Maclaren Quebec 5½% 1961	75.00	77.00
Manitoba Power 5½% 1951	49.00	53.00
Montreal Isl. Pwr. 5½% 1957	100.00	105.00
Montreal LH&P 5% 1951	107.50	110.00
Montreal LH&P 5% 1970	106.50	109.00
Montreal Tram 5% 1941 July	97.00	98.50
Montreal Tram 5% 1955	77.00	78.00
Northwest. Utilities 7% 1938	90.00	95.00
Ottawa Valley Pwr. 5½% 1970	97.00	99.00
Quebec Power 5% 1968	94.00	96.00
Rio Tramways 5% 1935	91.00	....
Shawinigan W&P 4½% 1970	65.00	68.00
Shawinigan W&P 5% 1970	78.50	80.00
Shawinigan W&P 6% 1937	89.00	92.00
Southern Can. Pwr. 5% 1955	96.00	97.50
West Kootenay Pwr. 5% 1956	91.00	93.00
Government, Provincial & Railway Bonds:		
C.N.R. 4½% 1951 Dom. Gtd.	99.00	99.75
C.N.R. 4½% 1957 Dom. Gtd.	98.75	99.50
C.N.R. 5% 1969 Dom. Gtd.	104.00	104.50
C.P.R. 4½% 1944	76.00	78.00
C.P.R. 5% 1954	86.50	89.00
Dom. of Can. 5% 1936	102.00	103.00
Dom. of Can. 5% 1941	102.25	103.00
G.T.P. 3% 1962 Dom. Gtd.	79.75	80.50
G.T.P. 4% 1962 Dom. Gtd.	92.25	93.50
Ont. Hydro 3½%, 4%, 5%, 1952 Ont. Gtd.	90.00	91.00
Ont. Hydro 4¾% 1970 Ont. Gtd.	98.50	99.50
Ont. Hydro 4% 1957 Ont. Gtd.	91.00	92.00
Prov. of N. B. 5½% 1950	102.50	103.25
Prov. of Ont. 4½% 1944	101.75	103.00
Prov. of Ont. 5% 1948	102.25	103.00
Prov. of Ont. 5½% 1947	106.25	107.00

Listed Bond Quotations

Week Ending February 6

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1933 High	Range, 1933 Low
Abitibi, 1st mtg.§	5	1953	...	14	...	...	*46	19½
Asbestos	5	1942	...	21	...	...	*65¼	49
Asbestos, 1st mtge.	6	1941	...	5¼	...	...	*20	14
Do., gen. mtge.	6	1956	...	...	...	...	*9	...
Can. Cons. Rub.	6	1946	...	...	...	...	*69¾	...
Can. Cottons	5	1940	...	...	...	...	*91	90
Can. Forgings	6	1942	...	...	...	...	*100	...
Can. Locomotive	6	1951	...	...	...	...	19⅝	19¼
Can. Pr. (Laur.)	5½	1958	...	...	...	...	*7	5
Do. (Way. Ser.)	5½	1958	...	...	...	...	*28½	5½
Can. S.S. Debs.	5	1943	...	...	...	...	*83¼	...
Cedars Rapids	5	1953	...	...	...	...	108	108
Dom. Canners	6	1940	...	...	...	...	‡103	...
Dominion Coal	5	1940	...	37	...	...	*50	31
McNish	6	1948	...	1.05	1.25	...	1.50	1.00
Mex. L. & Pr.	5	1940	...	...	...	...	*78½	70½
Mtl. L.H.&Pr. debs.	3	1939	...	41¾	42	41¼	48	39½
Mont. Tr. 1st mtg.§	5	1941	5.38	97½	98	97½	98½	97
Mont. Trams. "A"§	5	1955	6.80	...	...	...	79⅞	77¼
Do., G. & Ref. "B"	5	1955	7.08	...	...	...	*79¾	78¾
Do., "C"	4½	1955	6.43	...	...	...	*77½	77
Do., "D"	5	1955	7.02	...	...	...	77⅞	77⅝
N.S. Steel	5	1959	...	†78	...	...	*62⅝	59
Ontario Steel	6	1943	5.94	80	...	...	*100½	...
Porto R. Pr.	5	1936	...	...	...	...	*93	88
Steel of Canada§	6	1940	...	102	...	...	*102⅞	100
Wayagamack	6	1951	...	...	...	...	*75	45
Winnipeg Elec.§	5	1935	...	76	...	...	*86	...
Toronto								
Canada Bread	6	1941	...	...	...	...	*101½	100
Steel of Canada§	6	1940	...	...	...	...	*102½	...
Dominion Govt. Bonds (Montreal)								
War Loan§	5	1937	...	116.50	116.25	...	116.25	116.25
Victory Loan	5½	1933	4.31	100.70	100.75	100.70	100.75	100.70
Do.	5½	1934	4.22	101.75	...	...	102.50	102.35
Do.	5½	1937	3.16	109.75	...	...	110.25	110.25
Do., refund	4½	1940	4.50	99.75	...	...	101.25	100.75
Do., refund	5	1943	4.68	102.35	...	...	103.37	103.25
Do., refund	4½	1944	4.50	98.75	...	...	*97.50	89.50
Do., refund	4½	1946	4.60	98.50	...	...	*96.25	91.50
Do., renewal	4	1952	4.60	92.25	...	...	92.37	91.63
Conversion Loan	4½	1956	4.71	98.25	97.00	...	97.00	97.00
Do.	4½	1957	4.60	97.25	...	...	98.25	98.25
Do.	4½	1958	4.56	98.00	...	...	99.00	99.00
Do.	4½	1959	4.50	98.85	...	...	100.00	99.25
Nat. Service Loan	5	1936	4.12	102.35	102.10	101.50	103.25	101.50
Do.	5	1941	4.60	102.35	...	...	103.75	103.75

†Latest ask. ‡Quotations for 1930. °For 1931. *For 1932. None recorded in 1933 to date. §Payable in Canada and New York

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co., Canada Permanent Building, Toronto, Ont.

February 7, 1933

	Rate	Actual Maturity	Next Int. Date	Price	Yield
*Alberta	4½	1 Oct., 1958	1 Apr.	84.00	5.68
Alberta	5	1 July 1943	1 July	93.50	5.83
Alberta	6	1 Mar., 1947	1 Mar.	100.00	6.00
*British Columbia	4½	1 Oct., 1953	1 Apr.	85.50	5.69
*British Columbia	5	15 Jan., 1948	15 July	95.50	5.44
British Columbia	6	15 Feb., 1947	15 Feb.	100.00	6.00
Manitoba	4	1 July 1947	1 July	81.00	5.98
*Manitoba	5	2 Dec., 1959	2 June	93.00	5.50
Manitoba	6	1 Apr., 1947	1 Apr.	100.00	6.00
*New Brunswick	4	1 June 1948	1 June	91.32	4.80
*New Brunswick	4½	15 June 1936	15 June	100.00	4.80
New Brunswick	5½	1 May 1950	1 May	103.50	5.19
*Nova Scotia	4½	15 Nov., 1948	15 May	98.75	4.61
Nova Scotia	5	1 May 1943	1 May	102.50	4.70
*Ontario	4½	1 Sept., 1944	1 Mar.	103.00	4.18
Ontario	5	15 Oct., 1948	15 Apr.	103.50	4.69
Ontario	5½	1 Feb., 1947	1 Aug.	107.00	4.80
P. E. I.	4	1 Apr., 1939	1 Apr.	95.00	4.90
P. E. I.	6	1 May, 1947	1 May	110.00	5.02
*Quebec	4½	1 May, 1961	1 May	102.00	4.18
*Saskatchewan	4½	1 Sept., 1955	1 Mar.	83.00	5.85
Saskatchewan	5	1 Oct., 1950	1 Apr.	87.00	6.20
Saskatchewan	6	15 Mar., 1952	15 Mar.	95.50	6.41
*Newfoundland	5	31 Dec., 1952	30 June	70.00	8.04
*Newfoundland	5½	1 July, 1939	1 July	76.00	10.70
*Newfoundland	6½	30 June, 1936	30 June	83.00	12.66
Cities					
*Montreal	5	1 Sept., 1963	1 Mar.	107.00	4.58
*Toronto	4½	1 Jan., 1965	1 July	99.00	4.57
*Vancouver	5	15 Jan., 1970	15 July	87.00	5.87
Winnipeg	5	1 Mar., 1944	1 Mar.	91.80	6.00
*Edmonton	5½	1 Apr., 1947	1 Apr.	85.25	7.15
Calgary	5	1 Jan., 1943	1 July	82.60	7.50
Halifax	6	1 July, 1951	1 July	110.70	5.10
St. John	5	15 Dec., 1950	15 June	98.83	5.10
Regina	4½	1 July, 1950	1 July	72.98	7.25
Victoria	5	21 July, 1945	21 July	87.30	6.50
Quebec	5	1 June, 1948	1 June	102.00	4.81

* Payable in New York.

Dividends Declared

	Present Annual rate	Amt. this payment	Date payable	Date of record
Acme Farmers Dairy, pref.	7%	3½%	Feb. 10	Jan. 31
Agnew Surpass, pref.	7%	1¾%	Apr 1	Mar. 15
Blue Ribbon, pref.	$2	50c	Feb. 1	Jan. 30
Bk. Can. Nationale	$10	$2.50	Mar. 1	Feb. 15
Bank of Montreal	10%	2½%	Mar. 1	Jan. 31
Bank of Toronto	10%	2½%	Mar. 1	Feb. 15
Belding Corticelli, pfd.	7%	1¾%	Mar. 15	Feb. 28
Borden Co., com.	$1.60	40c	Mar. 1	Feb. 15
Bonded Corporation	...	1%	Feb. 1	....
Do., extra	...	1%	Mar. 1	Feb. 20
Can. Converters	$2	50c	Feb. 15	Jan. 31
Can. Bank of Commerce	10%	2½%	Mar. 1	Jan. 31
Capital Trust	4%	4%	Mar. 1	Dec. 31
Cosmos Imperial pref.	$3.50	87½c	Feb. 15	Jan. 31
Can. Hydro-Elec. 1st pfd.	6%	1½%	Mar. 1	Feb. 1
Canadian Oil Co c.	50c	12½c	Feb. 15	Feb. 1
Do., pref.	8%	2%	Apr. 1	Mar. 20
Canadian Car, pref.	$1.75	44c	Apr. 10	Mar. 27
Dominion Bridge	$2	50c	Feb. 15	Jan. 31
Do.	...	50c	May 15	Apr. 29
Dome Mines	$1	25c	Apr. 20	Mar. 31
Do., extra	...	20c	Apr. 20	Mar. 31
Eastern Theatres c.	$2	50c	Mar. 1	Jan. 31
Hollinger Gold	65c	5c	Feb. 25	Feb. 10
Imperial Oil (coupon 36)	50c	12½c	Mar. 1	Feb. 14
Kelvinator, pref.	7%	1¾%	Feb. 18	Feb. 6
Laura Secord, com.	$3	75c	Mar. 1	Feb. 15
Loblaw Grocet. "A" & "B"	80c	20c	Mar. 1	Feb. 11
Lindsay, C. W., pref	6½%	1⅝%	Mar. 1	Feb. 14
McIntyre Mines	$1	25c	Mar 1	Feb. 1
Do., extra	50c	12½c	Mar. 1	Feb. 1
McColl-Frontenac, com.	60c	15c	Mar. 15	Feb. 15
Montreal Loan & Mortgage	12%	3%	Mar. 15	Feb. 28
Do., Bonus	....	1%	Mar. 15	Feb. 28
N.S. Light & Pr. pref.	$6	$1.50	Mar. 1	Feb. 15
National Biscuit	$2.80	70c	Apr. 15	Mar. 17
Do., pref.	$7	$1.75	Feb. 28	Feb. 14
Page-Hersey Tubes, c.	$3	75c	Apr. 1	....
Penmans	$3	75c	Feb. 15	Feb. 6
Rolland Paper, pref.	$6	$1.50	Mar. 1	Feb. 15
Royal Trust	$3.20	80c	Jan. 31	Jan. 31
Quebec Power	$1	25c	Feb. 15	Jan. 27
Royal Bank	10%	2½%	Mar. 1	Jan. 31
Southern Can Power c.	$1	25c	Feb. 15	Jan. 31
Shawinigan W. & Pr.	50c	13c	Feb. 15	Jan. 21
Walker, Hiram, pref.	$1	25c	Mar. 15	Feb. 24

Dividends Passed or Deferred:

Consolidated Sand, pref., Feb. 15, to be deferred. Last paid 50c. Nov. 15, 1932.

Standard Paving, pref., Feb. 15, to be deferred. Last paid 50c. Nov. 15, 1932.

Chase, A. W., pref., Feb. 10, deferred. Last paid $1 Nov. 10, 1932.

Dividend Rate Reduced:

Quebec Power, Feb. 15, $1.50 to $1 per annum.

Capital Trust, Mar. 1, 5% to 4% per annum.

Canadian Oil, com., Feb. 15, $1 to 50c per annum.

Borden Co., Mar. 1, $2 to $1.60 per annum.

Extra Dividends:

McIntyre Mines 12½c. Mar. 1. Dome Mines 20c April 20.

Winnipeg Stock Exchange

(Transactions for week to Feb. 4)

Div. Rate in $	Yield in %		Sales	High for week	Low for week	Close Feb. 4
..	..	Beauharnois	50	1.00	1.00	1.00
..	..	Bobjo	2200	.12½	.12	.12½
80c	10.7	B. A. Oil	35	7½	7½	7½
..	..	Central Manitoba	4250	.11	.08½	.11
..	..	Ford of Can. "A"	220	7	7	7
20c	8.5	Great West Life	5	235	235	235
..	..	Home Investment	8	24	24	24
50c	5.9	Imperial Oil	50	8½	8½	8½
..	..	Island Lake	500	.24	.23	.24
..	..	Manitoba Basin	500	.02½	.02½	.02½
..	..	San Antonio	342	1.03	.95	1.03
60c	14.1	Teck-Hughes	45	4.25	4.10	4.25
..	..	Traders Building	2	75	75	75
1.25	11.6	United Grain Growers	6	10¼	10¼	10¼
..	..	West. Breweries	56	¼	¼	¼
..	..	Western Grocers, c.	10	9	9	9

Stocks Not Traded in During Week*

	Bid	Ask
Beaver Lumb. pf.	..	60
Beaver Fire	..	100
City Dairy 8% pf.	..	50
Can. Fire Insur.	50	..
Cres. Cream. pfd.	..	60
Monarch Life 10% pd.	16	..
Nor. Mtg. part pd.	..	5
Pelissiers pref.	10	..

	Bid	Ask
Nor. Can. Mtg. pf.	..	15
Northern Trust	..	21
West St. Prod., pf.	..	30
Can. Amer. Tr. shs.	..	2¾
Fundamental Ser. A	..	3¼
Fundamental Ser. B	..	3¼
Grouped Inc. shs.	3.15	3.50

*Stocks more active on other exchanges not included.

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotaiton giving an idea of approximate price is better than none at all.

CHARTERED TRUST EARNED 5.75 P.C., DEPOSITS GAIN

Reserve Account Reduced By $100,000; Securities Written Down

Chartered Trust Co. had net profit of $64,195 in 1932 after deduction of provincial and municipal taxes and depreciation and after provision of $6,651 for Dominion income taxes the company earned 5.75 per cent on paid-up capital of $1,000,000. In 1931 net profit was $82,060 and after income tax earnings were 7.31 per cent on the same capital. Trust deposits increased to $1,937,980 from $1,702,214 while trust funds for investment dropped to $711,807 from $858,385. The estates trusts and agencies account was increased to $19,011,292 from $17,846,702.

With total assets of $2,649,787 in guaranteed trust account, $872,861 is in mortgages chiefly on urban properties. Bonds and debentures total $717,338 as compared with $666,100 in 1931 while loans on collateral securities are up to $927,022 from $472,786 and cash is down to $132,567 from $480,623.

Assets in capital account total $1,278,343 of which $339,788 represents investment in offices, premises and vaults. Mortgages are shown at $182,207, a reduction from $215,695 in 1931. Real estate held for sale shows very slight gain at $5,360. Loans on collateral securities are down to $128,031 from $169,320; holdings of bonds and debentures of governments and municipalities total $181,544 of which government securities amount to $6,700. Miscellaneous bonds are shown at $149,031; stocks at $17,716 cash at $34,831 and advances at $176,580.

The company's reserve account has been reduced by $100,000 to $100,000 and provision was made for decline in security prices by reducing values to a level below that established by the department of insurance. Mortgage payable on office premises is down $5,000 to $149,000. Accounts payable are shown at $10,938; dividend payable at $10,000 and profit and loss account $2,107. Paid-up capital is unchanged at $1,000,000.

Earnings and dividend payments since 1928 have been as follows:

EARNINGS RECORD

Year	Paid-up Capital $	Net Profits* $	Div. Rate $	Rate† Earned per. sh. $
1928	908,320	73,167	6	8.06
1929	987,900	88,373	6	8.95
1930	1,000,000	78,211	6	7.82
1931	1,000,000	73,090	6	7.31
1932	1,000,000	57,543	5	5.75

*After deducting reserve for taxes and depreciation write off.
†On paid-up capital.

WATERLOO TRUST ASSETS GAINED, PROFIT LOWER

Earned $9.07 on Shares—Deposits Maintained—Arrears Small

Net profits of Waterloo Trust & Savings Co. in 1932 are reported at $101,077 as compared with $112,018 in 1931 before deduction for income tax. After deducting this tax, the company earned $9.07 per share in 1932 and $10.01 in 1931. Guaranteed investment receipts and trust deposits showed very slight decrease to $7,828,638 from the $7,883,503 shown in 1931. Estates trusts and agency account increased to $3,493,138 from $2,554,994. Total assets increased to $13,014,028 from $12,410,082 in 1931.

Assets in guaranteed trust account include mortgages and accrued interest of $5,472,765 as compared with $5,362,940 in 1931 while Dominion, provincial and municipal bonds are down to $2,056,307 from $2,113,398; demand loans are down to $126,122 from $167,794 and cash is down to $173,444 from $239,371. In assets in capital account demand loans against securities are up to $418,484 from $330,146; bonds are down to $910,999 from $1,096,434. Premises remain at $199,935 while other real estate is up to $85,298 from $50,323.

Made Write-Offs

During the year, $50,000 was written off for depreciation, presumably on mortgages held, and transferred $25,000 to special investment reserves to allow for any future readjustments of investment values. The depreciation write-off was taken from general reserve which is shown at $200,000 with investment reserve of $200,000. Paid-up capital remains unchanged at $1,000,000. The liability set up through the purchase of Government bonds is down to $250,000 from $475,000 shown in 1931 and after provision for a 3 per cent dividend payable January 2, 1933, profit and loss surplus is shown at $12,251. The report of the president, E. F. Seagram, draws attention to the fact that interest arrears for $5,000,000 of urban mortgages amount to only ½ of 1 per cent.

The earnings record of the company for the past five years is as follows:

Earnings Record

Year	Paid-up Capital	Net *Profits	Div. Rate	Rate Earned
1928	750,000	99,762	7	13.30
1929	1,000,000	119,759	7	11.97
1930	1,000,000	122,764	7	12.27
1931	1,000,000	100,062	7	10.00
1932	1,000,000	190,666	6½	9.07

* Income tax deducted.
† Before deducting amount written off for depreciation.

Butter Output Drops 8.5 Per Cent in 1932

Creamery butter production in 1932 was 8.5 per cent less than in the previous year, the comparative totals being 204,807,024 pounds and 225,955,246 pounds. The three Maritime Provinces recorded increased production but all other parts of Canada were down from 1931.

Ontario and Quebec, the largest producers, were down 6.5 and 13.2 per cent respectively with total of 72,472,000 pounds and 77,502,000 pounds. Production by provinces was as follows:

	1931 lb.	1932 lb.	% change 1931-32
P. E. I.	2,058,030	2,307,462	+12.1
N. S.	5,867,920	5,928,534	+ 1.0
N. B.	2,438,677	2,610,347	+ 7.0
Quebec	69,653,840	60,438,951	—13.2
Ontario	77,502,427	72,472,054	— 6.5
Manitoba	21,078,073	18,937,153	—10.2
Sask.	18,960,352	17,860,895	— 5.8
Alberta	22,957,922	21,125,000	— 8.0
B. C.	5,438,805	5,126,628	— 5.7
Total	225,955,246	204,807,024	— 8.5

Cigarette Sales for 1932 Lowest in Last Six Years

Tobacco Products Output Declines Steadily Since 1929 — Government Cut in Excise Tax Brought But Temporary Improvement

From Our Own Correspondent

MONTREAL.—Statistics covering sale of tobacco products, which readily reflect business conditions, reveal the inroads which curtailed purchasing power made into consumption of cigarettes and cigars in 1932. Number of cigarettes withdrawn for consumption was the lowest to be recorded in any year since 1926 while cigar sales were well below even that year. Only one division shows a gain; that was sales of cut tobacco which exceeded any figure shown in the past seven years.

Cigarettes entered for consumption last year showed a drop of 18 per cent from 1931, totalling 3,712,629,000 against 4,532,700,000. Withdrawals have dropped steadily since 1929 and figures for last year show a decline of 26 per cent from that banner year.

Following is a comparison of figures issued by the Dominion Bureau of Statistics covering cigarettes entered for consumption in the past 7 years:

CIGARETTES
(000's omitted)

Year	
1926	3,228,723
1927	3,782,926
1928	4,435,977
1929	5,081,254
1930	5,035,916
1931	4,532,700
1932	3,712,629

Cigars Decline Steadily

Cigars withdrawn from bond during the year also showed a decline though it was not so severe as that recorded in cigarettes. Number of cigars entered for consumption in 1932 were down 12 per cent from the previous year; compared with 1929 the decrease was 33 per cent. A feature of figures for last year, however, is that they fall below 1926. In that year withdrawals were 177,003,000 cigars and in 1932 they were 133,024,000 cigars.

Following is a comparison of cigars entered for consumption in the past seven years:

CIGARS
(000's omitted)

Year	
1926	177,003
1927	177,960
1928	187,350
1929	199,321
1930	183,272
1931	151,749
1932	133,024

Cut Tobacco Gains

Cut tobacco sales, on the other hand, were the highest to be shown in the last 7 years and withdrawals of 17,321,000 pounds in 1932 compared with 16,460,000 pounds in the previous year. The steady gains made since 1926 are a reflection of generally increased tobacco consumption while the continued increase in the past three years is a reflection of smokers' trend toward manufacturing their own cigarettes.

Following are withdrawals of cut tobacco from bond since 1926:

POUNDS
(000's omitted)

Year	
1926	12,824
1927	13,183
1928	13,967
1929	14,512
1930	15,528
1931	16,460
1932	17,321

Government Revenue Off

The situation which resulted following developments indicated by the above tables was given serious consideration. Cigarette sales were falling rapidly; smokers were evidently turning to cut tobacco for their needs as was evident from the continued gains in withdrawals of that product. The vital point in the question was that the government was losing revenue, as well as the manufacturer, since excise duties on cigarettes have proved to be a prolific source of income.

Accordingly in November last action was taken with a view to stimulating the laggard cigarette smoker. Excise tax, which stood at $6 a thousand cigarettes, was reduced to $4 a thousand and manufacturers passed on this reduction to the consumer public. Prices of most brands were lowered and cigarettes entered for consumption in the succeeding month showed a sharp increase. This spasmodic gain boosted withdrawals to the highest point to be recorded in 1932; in fact the figures for November were the highest since August 1931. In December, however, there was a relapse and cigarettes entered for consumption fell below December of the previous three years.

Excise Down $6,000,000

Effect of the drop in cigarettes sales on government revenue is interesting. Assuming the $6 excise tax only, withdrawals in 1931 netted the government approximately $27,196,000. On the basis of a $6 tax for 10 months of 1932 and $4 for the remaining two months, excise duty would have been $20,888,000 or a decline of $6,308,000. This does not take into consideration the tax of 40 cents a pound on imported tobacco or sales tax.

Whether the reduced tax and cheaper cigarettes will stimulate sales has yet to be seen. The sharp upswing in November can hardly be taken as a criterion as was evidenced by the decline in the succeeding month; nevertheless manufacturers anticipate that cheaper cigarettes will induce smokers to turn from making their own to buying the ready made article.

Companies Pay Dividends

Companies in the tobacco industry in which there is an investment interest are Imperial Tobacco Co. of Canada, Tucketts Tobacco Co., a subsidiary, and H. Simon and Sons. The former have a wide range of production including cigarettes, cigars and tobacco of all kinds; the latter confines its activities to the manufacture of cigars.

Despite the decline in cigarette consumption Imperial Tobacco Co. has maintained its dividend payments at the regular rate of 7 per cent on the common. Announcement as to what action will be taken on the final dividend, which is generally payable in March each year, may be expected shortly; in 1932 this totalled 3½ per cent.

There is no public investment interest in Tuckett Tobacco Co. common since this is all held by the parent organization. Dividends on the preferred stock in the hands of the public have been maintained at the regular rate of 7 per cent.

H. Simon and Sons has felt the effects of the drop in cigar sales and all disbursements on its shares have been deferred. Common dividends were dropped last March and 7 per cent preferred, ordinarily due in December, was deferred until outcome of the year's operations were reviewed.

Nine Months' Radio Sales Drop 64 Per Cent in 1932

Sales of radio receiving sets in Canada during the third quarter of 1932 totalled 34,300 machines with a factory selling price of $1,673,905 while in the corresponding period of a year ago sales amounted to 76,908 receivers worth $4,641,237, a decrease of 55.4 per cent in number and 64.0 per cent in value.

Sales by provinces for the nine provinces ending September 30, 1932, as compared with those for the first three-quarters of last year, show that the Maritime Provinces, Quebec and Ontario took a smaller percentage of the total while sales in the Prairie Provinces and British Columbia were proportionately higher. In the Maritime Provinces the percentage dropped to 5.8 from 6.2, in Quebec to 22.7 from 28.9 and in Ontario to 40.8 from 43.2. In the Prairie Provinces the percentage rose from 21.5 from 13.1 and in British Columbia to 9.2 from 8.6.

Mining Stock Quotations

Week Ending February 6.

Par Val.	Range 1933 High	Range 1933 Low	Company	Sales	Close Jan. 30 (or last)	High for week	Low for week	Close Feb. 6
1	.03	.02	Abana	1,000	.02½	.03	.02½	.03
1	.00½	.00¼	Aconda	......	.00¼	.....	.....	.....
No	*.15	.15	Aldermac	......	.15	.....	.....	.....
1	.03½	.01	Alexandria	105,200	.02¼	.03½	.02	.02½
No	.05½	.03	Algoma	92,350	.04½	.04½	.04	.04½
1	.01	.00½	Algonquin	74,500	.00½	.01	.00½	.00½
1	*.01½	.00½	Amity C.	......	.00½	.....	.....	.....
No	.18	.10	Amulet	26,440	.16½	.16½	.14	.15
1	.01	.00¼	Apex	8,000	.01	.00½	.00½	.00½
1	.03½	.02	Area	12,500	.02½	.02½	.02	.02½
No	.04½	.01¾	Arno	559,300	.03½	.04½	.03	.04
1	1.35	.74	Ashley Gold	16,225	1.25	1.35	1.18	1.30
1	.10	.02½	Bagamac	22,600	.03	.10	.03½	.08
1	.03	.01	Baldwin	3,500	.01	.03	.01	.01
1	.20	.10½	Barry Hollinger	298,300	.16	.20	.16	.19
No	.85	.75	Base Metals	200	.85	.85	.85	.85
1	.14	.08	Big Missouri	17,150	.12	.13½	.10½	.13
1	.16½	.08½	Bobjo	184,200	.12	.16½	.12	.15½
1	.25	.15	Brett Trethewey	45,625	.24	.25	.20	.22
1	.03½	.01½	Brownlee	94,400	.02½	.03½	.02½	.03½
1	*.01	.00½	Buckingham	......	.00½	.....	.....	.....
No	.03	.02½	Buffalo Can	3,500	.02½	.03	.02½	.03
No	.02½	.01½	Bunker Hill	2,000	.02	.02½	.02½	.02½
5s	*1.03	.10	B'Wana McKubwa	......	.80	.....	.....	.....
No	*.04	.02	Canam Metals	......	.02½	.....	.....	.....
1	.12½	.08	Can. Kirkland	88,137	.12	.12½	.09	.11
1	.00¾	.00½	Capital Rouyn	8,000	.00½	.00½	.00½	.00½
1	.03½	.01½	Cartier Malartic	19,000	.01½	.02½	.01½	.02
1	.21	.16	Castle Trethewey	8,400	.19½	.21	.18	.19½
1	.13	.06	Cen. Manitoba	52,000	.07½	.13	.07	.12½
1	.28	.17	Cen. Patricia	237,100	.17½	.28	.18	.27
No	.06½	.03	Chibougamau Pros.	......	.06½	.....	.....	.....
No	.02½	.00¾	Clericy	43,500	.02½	.02½	.01½	.01½
5	2.25	1.65	Coast Copper	270	2.00	2.00	2.00	2.00
1	.01½	.00½	Cobalt Contact	......	.01½	.....	.....	.....
1	.10½	.07	Columario	14,500	.09	.10	.08½	.09½
5	1.05	.75	Coniagas	......	.75	.....	.....	.....
No	.40	.25	Coniaurum	20,487	.32½	.40	.32½	.39
25	68.00	57.50	Cons. Smelters	1,526	62.25	62.50	58.00	58.00
No	18.50	13.60	Dome Mines	48,217	15.50	18.50	15.35	17.50
No	.05	.04	Dom. Explorers	25,200	.04½	.05	.04½	.05
1	.00½	.00½	Dominion Kirk	......	.00½	.....	.....	.....
1	.03	.02	Don Rouyn	7,200	.02½	.02½	.02	.02½
.	.04½	.02	Duparquet	65,000	.02½	.04½	.02	.04
1	1.61	1.34	Eldorado	55,795	1.45	1.60	1.40	1.47
No	2.25	1.80	Falconbridge	5,750	1.95	2.15	1.91	2.00
1	.02¾	.01	Federal	8,500	.02½	.02½	.01½	.02½
No	.02½	.01½	Flintoba	3,100	.02½	.02½	.01½	.02½
No	.02½	.01	Gilbec	86,500	.01	.02½	.01½	.01½
1	.07	.04	Goldale	26,500	.07	.07	.06½	.06½
10	.15	.10	Goldfield	......	.15	.....	.....	.....
1	.00¾	.00½	Gold Hill	38,000	.00½	.00½	.00½	.00½
1	.04½	.02	Goodfish	6,000	.03½	.04	.03½	.04
1	.03½	.01½	Graham	18,500	.02½	.03½	.02	.02½
1	1.95	1.19	Granada	106,445	1.61	1.95	1.60	1.81
1	.08	.06	Grozelle	......	.07	.....	.....	.....
1	.03½	.02	Harker	22,800	.02½	.03½	.02½	.03
1	.01½	.00½	Hilltop	5,500	.00½	.01	.00½	.01
5	8.75	6.00	Hollinger	98,140	6.85	8.75	6.85	8.05
1	.95	.65	Howey Gold	223,650	.81½	.95	.81	.87
No	4.00	3.10	Hudson Bay	4,620	3.40	4.00	3.40	3.95
No	.33	.25	Huronian	140	.30	.30	.30	.30
No	9.50	8.62	Int. Nickel	54,340	9.00	9.37	8.62	8.75
1	.02	.00½	Jackson Manion	64,000	.01	.02	.01½	.02
1	.22	.20	Keeley	3,100	.22	.21½	.21	.21½
1	.02	.01	Keora Mines	500	.01½	.01½	.01½	.04½
1	.75½	.60	Kirk. Hud. Bay	13,775	.72	.75	.72	.75
1	.02½	.00½	Kirk. Hunton	44,500	.02	.02	.01½	.01½
1	.52	.30	Kirkland Lake	136,300	.44	.52	.44	.47½
1	.02½	.01½	Kirkland Premier	3,500	.01½	.02½	.01½	.02
1	.22½	.13½	Kirk. Townsite	53,600	.21	.21	.19	.20
20c	.01½	.00½	Koot. Florence	3,500	.00½	.01½	.00½	.01½
1	*.01½	.01½	La Rose	......	.01½	.....	.....	.....
1	.25	.18	Lakeland	100	.20	.22	.22	.22
1	.18	.08	Lake Maron	74,000	.15	.18	.15	.17½
1	40.00	32.50	Lake Shore	49,704	34.50	40.00	34.00	38.50
1	.03½	.02½	Lebel Oro	25,500	.02½	.03½	.03	.03½
1	.32	.20	Macassa	320,395	.30½	.31	.27½	.30½
1	.08	.05	Malartic	32,900	.06½	.08	.06½	.07
1	.02½	.01½	Malrobic	20,100	.01½	.02	.01½	.02
No	.05	.04	Mandy	1,000	.04½	.04½	.04½	.04½
No	.02½	.01½	Manitoba Basin	342,405	.02½	.02½	.01½	.02
5	27.60	21.20	McIntyre	57,792	23.25	27.60	23.15	26.00
1	.38	.30	McKinley	......	.38	.....	.....	.....
No	.06	.02½	McLeod River	422,200	.03½	.06	.03	.05½
1	.03	.03	McMillan	1,000	.....	.03	.03	.03
No	.75	.46	McWatters	32,350	.51	.75	.51	.74
1	.32	.15	McVittie	52,350	.24	.32	.24	.30
No	1.80	1.28	Mining Corp.	17,735	1.60	1.80	1.61	1.73
1	.03	.01½	Moffatt Hall	56,000	.02½	.03	.02½	.02½
1	.06½	.02	Moneta	6,000	.04	.06½	.04½	.05½
1	.40	.28	Moss	109,700	.32½	.34½	.28	.30
1	.02½	.00¾	Murphy	48,100	.01½	.02½	.01	.01½
No	.05	.03	Newbec	5,300	.04½	.04½	.03½	.04
1	.05	.01½	Night Hawk Penn.	12,000	.04½	.05	.03½	.05
1	1.95	1.15	Nipissing	17,283	1.45	1.95	1.45	1.90
No	25.50	19.75	Noranda	69,253	22.00	25.50	22.00	24.00
No	.50½	.32½	Nor. Canada	17,200	.45	.50½	.46	.48
No	.02½	.01	Old Colony	104,800	.02½	.02½	.01½	.02
1	.10	.05	Osisko	3,500	.09	.09	.08	.08
1	.18½	.11	Parkhill	107,550	.18½	.18½	.14½	.18½
1	*.13½	.11	Patricia Dent	......	.13	.....	.....	.....
1	.03½	.01½	Pawnee Kirk	22,000	.03	.03½	.02½	.03
1	.69	.54	Pend Oreille	1,200	.61	.61	.60	.60
1	.01½	.00½	Peterson Cobalt	5,000	.01	.01½	.01½	.01½
1	5.40	4.30	Pioneer Gold B.C.	27,970	4.52	5.40	4.55	5.25
1	*.00½	.00½	Porcupine Crown	......	.00½	.....	.....	.....
1	*.02	.00½	Potter Doal	......	.00½	.....	.....	.....
1	*.12	.12	Powell Rouyn	......	.12	.....	.....	.....
1	.82	.60	Premier Gold	37,650	.74½	.82	.65	.72
1	.02½	.01	Preston E. Dome	29,000	.01½	.02½	.01½	.02½
No	.95	.75	Prospectors Air's	1,800	.80	.90	.75	.90
No	*1.00	1.00	Quebec Pros	......	1.00	.....	.....	.....
No	.15	.03	Quemont	605	.14½	.10	.07½	.10
1	.01½	.00½	Ribago	29,500	.01½	.01½	.01	.01
1	.03	.01½	Ritchie	60,700	.02	.03	.02	.02½
1	.02½	.01	Robb Montbray	2,000	.02½	.02½	.02	.02
1	1.21	.80	San Antonio	136,164	1.02	1.21	1.00	1.11
1	.03	.03	Seven Troughs	......	.03	.....	.....	.....
1	.46	.33	Sherritt Gordon	24,050	.43	.45	.38	.43
1	1.77	1.25	Siscoe	270,370	1.64	1.77	1.61	1.73
1	.10½	.06½	South Keora	20,500	.09	.08½	.06½	.06½
No	.06	.01½	Stadacona	282,550	.03½	.03½	.03½	.03½
1	.14	.07	St. Anthony	11,300	.10	.14	.10	.14
No	.80	.60	Sudbury Basin	10,450	.72	.73	.68	.71
1	.01½	.00½	Sudbury Contact	1,000	.01	.01½	.01½	.01½
1	.01½	.00½	Sudbury Mines	3,000	.01½	.01½	.00½	.01½
1	.38½	.20	Sullivan	296,020	.27½	.38½	.27½	.33
1	1.21	.72	Sylvanite	339,814	.96	1.21	.93	1.10
1	.03	.01½	Tashota	85,500	.03	.02½	.02½	.02½
•	.18½	.15½	Tashota Goldfield	1,950	.17½	.18½	.17½	.18½
1	5.10	4.03	Teck Hughes	165,060	4.11	5.10	4.14	4.70
1	.10	.04½	Thom. Cadillac	26,450	.05½	.10	.05	.08
1	.16	.10	Towagmac	3,600	.13	.15	.14	.14
1	2.00	1.10	Treadwell	500	1.60	1.70	1.50	1.50
1	.07½	.05	United Kirkland	2,500	.06½	.07½	.06½	.06½
No	.06½	.03	Vacuum Gas	59,500	.03½	.04	.03	.03
No	1.28	.80	Ventures	288,785	.91	1.28	.91	1.12
1	.18	.09	Vickers	16,700	.11½	.18	.13½	.18
1	.40	.20	Vipond	31,500	.28	.40	.28	.40
No	.60	.35	Waite Ackerman	1,000	.40	.45	.40	.45
1	.03½	.03½	White Lake	500	.....	.03½	.03½	.03½
1	.02	.02	Wiltsey Coughlan	1,000	.02	.02	.02	.02
1	.09½	.07	Wood Kirkland	5,000	.08	.09½	.08½	.09
No	5.05	3.73	Wright-Hargreaves	188,219	4.53	5.05	4.44	4.80
			OIL STOCKS					
No	.12	.09	Acme Gas & Oil	9,100	.09½	.09½	.09	.09
1	.82	.67	Ajax	7,150	.70	.72	.67	.67
1	.10	.08	Alta. Pacific	430	.09	.10	.10	.10
1	*.03½	.02	Askalta	......	.03½	.....	.....	.....
No	.07	.04½	Associated	1,100	.06	.06	.06	.06
No	.02½	.01	Balta	......	.02	.....	.....	.....
1	*.05	.02½	Brit. Dominion	......	.03½	.....	.....	.....
No	.35	.25	Calgary & Ed.	......	.30	.....	.....	.....
1	.05	.04	Calmont	500	.04	.04½	.04½	.04½
1	.04	.04	Common. Pete.	......	.04	.....	.....	.....
No	.20	.14	Dalhousie	1,000	.14	.18	.18	.18
No	.02	.02	Devenish	1,000	.....	.02	.02	.02
No	*.02	.00½	Dome Oil	......	.00½	.....	.....	.....
No	.06½	.06½	East Crest	......	.06½	.....	.....	.....
No	*.01½	.01	Fabyan Pete	......	.01½	.....	.....	.....
No	*.25	.05	Foothills	......	.15	.....	.....	.....
No	*.03½	.02	Freehold	......	.02	.....	.....	.....
1	*.02	.00½	Great West	......	.00½	.....	.....	.....
No	*.06½	.03	Hargal	......	.03	.....	.....	.....
No	*.05	.02	High Sarcee	......	.02	.....	.....	.....
No	.45	.30	Home	330	.35	.45	.32	.32
No	*.05	.01½	Homestead	......	.01½	.....	.....	.....
1	.20	.13	Homest'd O. & G.	5,900	.17½	.15½	.13	.14
1	*.01	.00½	Illinois Alberta	......	.00½	.....	.....	.....
No	*.02½	.00½	Lethbridge	......	.00½	.....	.....	.....
No	*.10	.04	Lowery	......	.10	.....	.....	.....
No	*.02	.00	Madison	......	.00½	.....	.....	.....
1	.16	.15	Mayland	......	.15	.....	.....	.....
No	*.04	.01	McD. Segur Ex.	......	.01½	.....	.....	.....
1	*.04½	.01	McD. Segur N.	......	.01	.....	.....	.....
1	*.05	.18	McLeod	......	.18	.....	.....	.....
No	*.10½	.06½	Mercury	......	.07½	.....	.....	.....
No	.16	.15	Merland	......	.15	.....	.....	.....
No	*.15	.08½	Mill City Pete	......	.08½	.....	.....	.....
1	*.20	.12½	Model	......	.13	.....	.....	.....
1	*.05	.04	Monalta	......	.05	.....	.....	.....
1	*.07	.03	Moose Mountain	......	.03	.....	.....	.....
1	*.01	.01	New Federal	......	.01	.....	.....	.....
5	.20	.09	Nordon	4,600	.10	.11	.09	.10
1	.04	.02½	Oil Selections	4,500	.03½	.03½	.03	.03½
No	.05	.02½	Okalta	......	.03	.....	.....	.....
No	.26	.20	Olga Gas & Oil	1,000	.21	.22	.22	.22
No	.03½	.01½	Penn. Pete	8,500	.03	.03	.02½	.03
1	.16	.15	Petrol Oil & Gas	3,000	.16	.16	.16	.16
No	*.14	.08	Ranchmen's	......	.09	.....	.....	.....
1	*.01	.00½	Regent	......	.01	.....	.....	.....
No	*.02½	.01	Richfield	......	.01	.....	.....	.....
No	7.00	6.75	Royalite	26	7.00	7.00	6.75	6.75
1	.11	.08	Sarnia Oil	1,500	.08½	.08	.08	.08
1	*.03	.01	Signal Hill	......	.01	.....	.....	.....
No	.04	.04	South West Pete	......	.04	.....	.....	.....
1	*.30	.10	Spooner	......	.15	.....	.....	.....
No	.13	.13	Sterling Pacific	......	.13	.....	.....	.....
	.43½	.43	Trinidad Oil	......	.43½	.....	.....	.....
1	*.11	.07½	Turner Valley	......	.07½	.....	.....	.....
No	.08	.03	United	......	.03	.....	.....	.....
1	*.09½	.03	Vulcan	......	.03	.....	.....	.....
No	.01	.00¾	Wainwell	200	.01	.01	.01	.01
			VANCOUVER STOCK EXCHANGE (Transaction for Week to January 31)					
25c	*.00½	.00½	Bayview	......	.00¾	.....	.....	.....
1	.60	.60	B. C. Silver	......	.60	.....	.....	.....
20c	.03	.02½	Beaver Silver	......	.03	.....	.....	.....
25c	*.04	.01	Bluebird	......	.01	.....	.....	.....
No	1.74	1.38	Bralorne	18,997	1.55	1.74	1.56	1.59
1	.07	.05	Bridge River Cons.	34,600	.07	.07	.06½	.06½
1	2.85	2.05	Caribou Gold	2,725	2.75	2.85	2.30	2.30
No	7.50	5.60	Coast Breweries	395	6.75	6.25	5.60	5.75
25c	.00½	.00½	Cork Province	......	.00½	.....	.....	.....
1	.02½	.02½	Cotton Belt	......	.02½	.....	.....	.....
1	.01½	.01½	Dalhousie Mines	1,500	.01½	.01½	.01½	.01½
1	.35	.30	George Copper	500	.35	.35	.35	.35
50c	*.02	.01	Geo. Enterprise	......	.01	.....	.....	.....
1	.03	.02½	Georgie River	18,500	.02½	.02½	.02½	.02½
1	*.35	.10	Golconda	......	.10	.....	.....	.....
50c	.04½	.03½	Grandview	1,200	.04	.04	.04	.04
1	*.01	.00½	Independence	......	.00½	.....	.....	.....
1	*.01½	.01	Indian Mines	......	.01	.....	.....	.....
1	.10	.10	Inter. Coal	2,500	.10	.10	.10	.10
1	*.21	.21	Jack Waite	......	.21	.....	.....	.....
25c	*.00½	.00½	Kootenay King	......	.00½	.....	.....	.....
10c	*.04	.01	Lucky Jim	......	.01½	.....	.....	.....
5c	*.12	.04	Metaline Metals	......	.06	.....	.....	.....
1	*.03	.00½	Morton Woolsey	......	.00½	.....	.....	.....
50c	.02½	.01½	National Silver	76,000	.02½	.02½	.02½	.02½
50c	.04	.02½	Noble Five	5,000	.04	.04	.03½	.04
50c	*.01	.00½	Oregon Copper	......	.00½	.....	.....	.....
1	4.80	4.30	Pioneer Gold	3,680	4.50	4.65	4.45	4.65
50c	.06½	.04½	Porter Idaho	3,000	.06½	.06½	.06½	.06½
No	.00½	.00½	Premier Border	1,000	.00½	.00½	.00½	.00½
No	.18	.15	Reeves McDonald	100	.15	.18	.18	.18
1	.77	.64	Reno Gold	18,900	.73	.75	.71	.72
1	*.02½	.00½	Rufus Argenta	......	.00½	.....	.....	.....
1	.03½	.03	Ruth Hope	2,400	.03½	.03	.03	.03
1	*.05	.02	Silverado	......	.05	.....	.....	.....
25c	.01½	.01	Silver Crest	18,000	.01½	.01½	.01½	.01½
50c	.01½	.01	Snowflake	......	.01½	.....	.....	.....
1	*.79	.20	Sunloch	......	.20	.....	.....	.....
No	*.06	.05	Vanalta Oil	......	.06	.....	.....	.....
20c	*.02½	.01	Wellington	......	.01	.....	.....	.....
1	.04	.03	Whitewater	......	.04	.....	.....	.....

*Quotations for 1932. No sales recorded in 1933 to date.

DIVIDEND PAYERS

	Rate	Yield %		Rate	Yield %
Ajax Oil	12c.	....	Merland Oils†	2½c.	....
Coniagas*	12½c.	....	Noranda	$1.10	....
Coniaurum†	3c.	....	Petrol Oil	2c.	....
Cons. Smelters*	10%	....	Premier	12c.	16.66
Dome Mines	$1+10c.	6.28	Pioneer, B.C.	24c.	4.57
Falconbridge	10c.	....	Royalite	$1.50	....
Hollinger	65c.+10c.	9.31	Siscoe	12c.	6.93
Howe Sound	40c.	....	Sterling Pac. Oil†	2½c.	....
Lake Shore	$2+$1	7.79	Sylvanite	4+1c.	4.54
McIntyre	$1.50	5.76	Teck Hughes	60c.	12.76
McLeod Oils*	5c.	....	Wright-Har.	10+5c.	3.12

*Stock. *Interim. †Initial.

PAINT ASSOCIATION MAY RAISE PRICES 5% ON MARCH 15

Before Spring Orders; Policy of All Firms Uncertain

Increases of five per cent in prices on all lines, to go into effect on March 15, were approved by The Canadian Paint, Oil and Varnish Association at the recent annual meeting in Montreal. It is understood that dealers will be given opportunity of placing their spring order at present prices.

It is not definitely known what policy member and non-member paint firms will follow on the price question. It is understood that members of the association feel that, as the move has been initiated by their body, they should raise their prices. There is said to be some uncertainty as to their possible action however.

At least two large non-member firms have indicated that they will make no price changes at present. One large paint company in Toronto is understood to intend maintenance of its present price level, pending any changes that may be necessary when the budget is brought down at Ottawa.

Possible effects of the proposed five per cent rise in prices on investment interest in leading Canadian paint companies is somewhat obscure. Brandram-Henderson Ltd., Sherwin-Williams Co. of Canada, Ltd., and International Paints (Canada) Ltd. are all members of the association and, as such may raise their prices.

Higher prices would appear beneficial to these firms, but if non-member or even member competitors were to disregard the suggested increases, they might obtain a larger portion of the total volume of business available. Thus any benefit of the higher prices might be more than offset by loss of business to competitors.

INCOME TAX BILL DESIGNED TO HIT PERSONAL CORPS.

Members Refuse Section to Make Taxes Retroactive

Important changes in the Income War Tax Act, designed primarily to collect income tax from personal corporations which have been incorporated outside of Canada (although all assets are owned in Canada) in order to evade payment of income tax, received their second reading in the House of Commons on Jan. 31. One section of the amendment designed to render the amendment retroactive to 1917, failed to pass the second reading and was withheld for consideration.

The amendment includes ten sections dealing with the following subjects: 1, 2, 3 and 4 propose changes in the act as concerning personal corporations; under these amendments personal corporations incorporated outside of Canada will be liable for tax if the assets are owned in Canada, taxation being based on income received from these corporations and, if no dividends are paid, on the income of the corporation.

Tax Foreign Officials

Sections 5 and 6 deal with taxation of Government officials resident in other countries. Their salaries will be liable to Canadian taxation but the amount of taxation paid to the country in which they are resident may be deducted.

Section seven provides that information returns be filed by the last day of February instead of the last day of March as at present. Section eight is designed to make clear a section of the present act pointing out that, notwithstanding that income tax has been paid, if the amount on which the tax was paid is subsequently found to be incorrect the Government may reassess whether the error was deliberate or accidental.

Redeemable stock issued by one company against the capitalized surplus of another company which it has taken over will be taxed at the rate of 4 per cent when redeemed under section 9 of the amendment.

Section ten failed to pass the first reading and was withheld for consideration. It was opposed by members of the house of both parties on the grounds that it would create uncertainty in business and thereby do considerable harm.

NEW BRUNSWICK REVENUE HOLDS

Province Makes Profit on Exchange Transactions

From Our Own Correspondent

MONTREAL. — New Brunswick's revenue in 1932 totalled $5,795,630 as against expenditures of $6,360,893. Revenue for last year was $184,284 less than in the fiscal year of 1931 but the expenditures in 1932 were $400,526 less than in the previous year.

During 1932 the largest revenue accruing to the province came from gasoline tax and motor vehicle fees. This total was $1,634,719. The next largest item of revenue was the Dominion Subsidy, a total of $1,297,387. Profits from the operation of the New Brunswick Liquor Control Board hit a new low being but $911,540 as compared with the liquor profits of 1931 of $1,220,065. Taxation and other sources brought into the provincial treasury $955,739 and the territorial revenue was even greater in 1932 than in 1931, the totals for the respective years being $669,150 last year and $655,462 in 1931.

The United States exchange situation worked to the great disadvantage of provincial financing in 1932. This province paid in exchange on coupons maturing last year, and payable in New York funds, the record breaking amount of $190,674 while in 1931 this coupon exchange interest was in the vicinity of $55,000.

There was, however, one transaction carried out by the province last year, in the matter of its financing which calls for favorable comment. New Brunswick paid off treasury bills in London and through the purchase of Sterling on the London market reaped a profit to the province of $402,239, a substantial figure that aided materially in boosting the general revenue.

Says Inflation Would be Bad For Canada

From Our Own Correspondent

VANCOUVER. — Currency inflation is no cure for Canada's economic distress; in fact, it would make conditions irremediably worse.

Such is the conviction of H. R. MacMillan, Vancouver shipping man and lumber exporter, who recently took office as president of the Vancouver Board of Trade. In his inaugural address Mr. MacMillan warned Canadian financial meddlers to leave the currency alone.

The two chief problems before Canada, said Mr. MacMillan, were government deficits and railway finances. Until Canada had dealt with these satisfactorily, the nation would be seriously handicapped in the effort to attain economic recovery.

Mr. MacMillan told how the Canadian National had cut operating costs 39 per cent since 1929 and the Canadian Pacific 46 per cent. They had set an example to the provincial and federal governments. High wages and high taxes cannot fruit on the same tree, he said.

Foreign Exchange

MIXED movements were recorded by the Canadian dollar in foreign exchange markets for the week ended Feb. 6, 1933. While declines were registered in terms of United States dollars and sterling, advances were shown in terms of the five other leading currencies shown in the table below.

On Jan. 30 the New York quotation for Canadian dollars closed at 85⅜, and on Feb. 6, it had dropped to 84⅛. The rate fluctuated wildly during part of the week, said to be due to large security movements. However, it is understood that the wide variations in the rate for New York funds was the result of triangular exchange dealings with London.

* * *

SUGGESTIONS that the weakness in Canadian dollars originated in London would seem to be borne out by the strength of sterling. Although this firmness was in evidence in New York as well as in Canada, it appeared in this country earlier than in the United States. When the sterling rate was firm at about $3.40 in New York, it was advancing from below $3.90 to over $4.00 in Canada. Moreover, non-sterling currencies did not show the same strength in Canada.

Other sterling bloc currencies of the Empire also advanced in Canada during the week. This includes South African, Australian and New Zealand pounds.

Changes in leading currencies for the week are shown in the table below:

FOREIGN EXCHANGE
New York Funds

	High (Premium) %	Low (Premium) %	Last Year High (Premium) %	Last Year Low (Premium) %
Jan. 31	19 1-8	17 3-4	15 7-8	15 1-2
Feb. 1	23	18 1-2	15 5-8	14 7-8
Feb. 2	20	17 5-8	15	14
Feb. 3	19 1-16	17 1-2	14 5-8	14 1-4
Feb. 4	19	18 1-2	15	14 1-2
Feb. 6	19 1-8	17 7-8	14 15-16	14 5-8

STERLING, FRANCS AND LIRE
Close: Demand in New York

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.526
Jan. 31	3.39 1-2	0.390 7-16	0.510 1-2
Feb. 1	3.39 3-8	0.390 1-4	0.510 3-4
Feb. 2	3.39 1-4	0.390 5-8	0.510 3-4
Feb. 3	3.39 3-4	0.390 3-8	0.510 7-8
Feb. 4	3.39 7-8	0.390 1-2	0.511 1-4
Feb. 6	3.43 1-2	0.390 9-16	0.511 1-2

Close: Demand in Toronto

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.0526
Jan. 31	4.04 1-2	0.0464 3-4	0.0608 3-4
Feb. 1	4.03 1-4	0.0464 3-4	0.0607 3-4
Feb. 2	0.04	0.0464 3-4	0.0608 1-4
Feb. 3	4.08 3-4	0.0464	0.0607 3-4
Feb. 4	4.03 1-2	0.0463 3-4	0.0608 3-4
Feb. 6	4.07 3-4	0.0463 3-4	0.0607 3-4

	Reichsmarks	Belga	Yen
Gold par	$0.238	$0.139	$0.498
Jan. 31	0.2829 1-2	0.1654	0.2531
Feb. 1	0.2829 1-2	0.1652	0.2541
Feb. 2	0.2828 1-2	0.1653	0.2514
Feb. 3	0.2826 1-2	0.1651	0.2511
Feb. 4	0.2823 1-2	0.1650	0.2509
Feb. 6	0.2824	0.1650	0.2500

Standard Oil of New Jersey Drops Bonus as Sales Drop

Standard Oil Co., of New Jersey, has just omitted the usual extra dividend of 25 cents while paying the regular quarterly dividend of 25 cents a share. In the course of the statement as an explanation for dropping the extra dividend, the following occurred:

"The depression emphasized the over built condition of the industry, indicating that further investment of cash for expansion would result in needless duplication of facilities . . . The continued decline in all forms of commercial activity, intensified by excessive taxation, has reduced the consumption of petroleum. This shrinkage in value has been accompanied by substantially lower prices for crude oil and its products, and in these circumstances it seems the part of wisdom to omit the extra dividend, pending the return of better conditions."

The extra dividend had been paid continuously since June 15, 1929.

January Failures Down 18.6 Per Cent from 1931

Failures under the Bankruptcy Act for the week ended January 28 show a decrease of three compared with the corresponding week of 1932, there being 49 failures in the week compared with 52 in 1932.

In the first four weeks of the year there were 174 failures, compared with 214 in the same period of 1932, a decrease of 40 or 18.6 per cent. These are divided among the provinces as follows:

Failures to January 28

	1932	1933	Decr.
P. E. I.	1	1	
N. S.	10	6	4
N. B.	9	3	6
P. Q.	68	59	9
Ont.	83	83	
Man.	7	3	4
Sask.	6	4	2
Alta.	19	10	9
B. C.	11	5	6
	214	174	40

Vancouver Building Permits $145,230 in January, 1933

Building permits issued in Vancouver during January numbered 96, valued at $145,230, compared with 217 valued at $339,360 issued during the same month of 1932.

Of the total permits, 44 were for new buildings worth $130,850, while 52 were for repairs to buildings at a cost of $14,380. A permit issued for the construction of a pier at $103,500 makes up the bulk of the total for the month.

Canadian Car Secure Contract for C. N. R. Wheels

From Our Own Correspondent

MONTREAL.—Canadian National Railways have awarded a contract to the Canadian Car and Foundry Co. for the construction of 1,000 wheels for immediate use on the railway. This work will be carried out at the Amherst, N.S., plant of Canadian Car, instructions already having been given to proceed with the work.

BARRY-HOLLINGER PRODUCTION $160,529

Capital Has Been Increased to Finance Development Programme

At the annual general meeting of shareholders of Barry-Hollinger Mines, held in Toronto, February 6, approval was given to increase the authorized capitalization from $3,000,000 to $4,000,000 in order to provide 1,000,000 treasury shares to further finance development work.

Dr. E. H. Greene, president of the company, advised shareholders that Sisto & Co. of New York had optioned 600,000 shares that remained in the treasury at 10 cents per share to provide funds for an enlarged development programme. The increase in the capitalization is to provide for an additional block to be taken up at from 15 to 20 cents per share.

The bullion production from the property in 1931 amounted to $160,529 from 34,977 tons of ore milled or an average recovery of $4.59 per ton. In addition, exchange compensation amounted to $21,056, making the gross value of the production $5.19 per ton as against operating costs of $5.65 per ton.

A deficit from operations for the year amounted to $15,525. The balance sheet showed current assets totalling $20,273 as compared with current liabilities of $13,267.

J. C. Houston, mine manager, outlined the proposed development programmes, stating that the mill would be closed down and activities concentrated on underground work, based on the geological report by P. C. Hopkins.

Ore recovered between the 1,000 and 2,000 ft. levels is reported as having shown a substantial improvement over that from the surface to the 1,000 ft. horizon and it is anticipated that an improvement in ore conditions will be shown with greater depth.

The new board of directors elected include, Dr. E. H. Greene, president, E. S. Crocker, Donald McKinnon, of Toronto; George Murfitt, N.Y. city.

The following tabulation shows production since the inception of operations.

Summary of Production

Year	Tons milled	Daily aver.	Recov. per ton	Val. of bullion
1925	8,136	..	$7.00	$56,977
1926	13,680	38	6.30	86,263
1927	25,714	71	6.83	175,692
1928	23,060	64	4.85	111,767
1929	22,343	62	6.79	151,612
1930	31,725	88	6.87	218,025
1931	31,958	89	7.02	224,457
1932	34,977	96	4.59	224,457
				1,185,322

Indian Mine Corp. Reports Funds Low

Shareholders of Indian Mines Corp., owning a gold prospect, six miles west of the Premier mine, in the Portland Canal Mining division of British Columbia, are in receipt of official notice calling the regular annual general meeting for March 2, 1933, at Prince Rupert. Accompanying the notice is a financial statement showing current assets of $7,447 and current liabilities of $13,202 made up of loans made in 1926, to the company plus accrued interest.

Of the $3,000,000 capitalization in $1 par value shares 2,701,405 have been issued. No work has been done at the property since 1925.

Value of Brooms and Mops Over $3,750,000 in 1931

There were 76 establishments in 1931 engaged in the broom, brush and mop industry, and 1,347 persons were employed with a payroll of $1,234,443 and an output of $3,770,464.

Principal items of production in order of importance as represented by the total selling value were: Corn brooms $1,146,257, paint brushes $493,699, brushes for industrial purposes $372,423, mops, all kinds, $335,239, brushes made of corn fibre $304,426.

Solloway, Mills & Co. Lose Another Round

Another round was concluded in the battle between former clients and Solloway, Mills & Co., when O. E. Lennox, assistant master, last week gave a judgment for $65,130, claimed by J. P. McLaughlin, the plaintiff, as representing the difference in the price of certain shares sold and the price at which they were purchased and also damages for conspiracy.

The assistant master found that the measure of damages for conspiracy, in the alternative, is the same as the amount mentioned above.

The defendants formerly conducted a mining brokerage business and last summer a judgment similar to the recent one was given in favor of D. B. Rochester for approximately $182,000.

The individual defendants were officers of the company. There was also a fourth defendant, Solloway, Mills & Co. Ltd. (Dominion Company), but proceedings against this defendant were abandoned, as it went into voluntary liquidation, and leave to continue proceedings against it was not obtained. The existence of these two companies is the basis of the defense. It was alleged that defendants had made transactions between the two companies, which were not regular, and that collateral security deposited by customers had been irregularly used to cover "short" accounts. The Assistant Master reviews the history of the companies and goes minutely into certain dealings and finds that there was no evidence of physical division between the companies. The employees were carried on the same payroll and no allocation of duties appears to have been made. The Rochester judgment was appealed and is still pending. It is thought that the McLaughlin judgment will also be appealed. A. G. Slaght, K.C., and R. I. Ferguson acted for the defendants while W. J. P. Jenner acted for the plaintiffs.

Poultry Exports to Britain Considerably Higher in 1932

One of the remarkable increases in the exports to Great Britain during the past year was dressed poultry. In 1931 the total was 65,460 pounds valued at $18,445 but in 1932 the total ran up to 1,096,368 pounds valued at $217,915.

The bulk of it went in December, intended for the British Christmas market, and it consisted largely of turkey from the west. The total poultry of all kinds sent to the United Kingdom in December was 735,457 pounds valued at $146,737. It is reported that the Canadian consignments reached the market in perfect condition.

J. Harold McLean & Co.
Certified Public Accountants
Authorized Trustees and Liquidators
J. Harold McLean, C.P.A.
388 St. James St. West, LAncaster 9434
Montreal, P.Q.

ENVELOPES
Toronto Envelope Co. Ltd.

Established in 1889
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Canadian Mining News

CENTRAL PATRICIA NEW 75 TON MILL FREIGHTED BY AIR

Canadian Airways Inaugurates New Service for Hinterland

Plans announced a few weeks ago for the construction of a mill at the Central Patricia Gold Mines in the Crow River area of the Patricia district, Ontario, have progressed and contracts have been let for an initial unit of from 50 to 75 tons daily capacity to be transported from the railway by Canadian Airways Ltd.

The entry of an aeroplane into the transportation of heavy mill equipment is another step in the march of progress by modern aeroplanes in opening up Canada's hinterland for mining. Canadian Airways, Ltd., will use its big Junkers type JU-52 "Flying Freight Car," for the service.

Aeroplanes have played an important part in the carrying of prospectors, prospectors' equipment and diamond drills into inaccessible parts, but the transportation of a modern mill by aeroplane will be an innovation in Canada. In New Guinea attention was recently directed to the heavy freight handled by the same type of Junkers aeroplanes as used by Canadian Airways, when two large gold dredges totalling 3,000 tons were transported from the coast to the interior of the island.

The new Central Patricia mill will be delivered by rail to Savant Lake station on the Canadian National Railway, which is approximately 95 miles due south of the site of mining operations. It is planned that everything except the heavy ball mill and steam boiler will be taken in by aeroplane. These heavier parts will be transported over a winter road—a distance of some 105 miles. In this connection it is interesting to know that the Canadian Airways have inaugurated a complete transportation service contracting for delivery of equipment from point of shipment to destination, whether it be by railway, overland or by aeroplane. In the case of Central Patricia the contract calls for the delivery of the complete plant by a date that will permit construction of the mill and its operation by July.

Mining Exchange Has Old Fervour As Sales Mount

The mining market continues to boom as the accumulated momentum of buying orders establishes new high levels for the shares.

To date there has only been a minor halt in the steady advance in prices. Old faces as well as new crowd the board rooms of the mining brokers recalling the congestion that marked the heyday of 1929, before the crash. In order to cope with the trading on the Standard Stock & Mining Exchange, where sales of 1,500,000 shares daily are changing hands, it has been necessary to put in new high speed tickers, exactly similar to those in use on the New York Stock Exchange. This new type of machine is capable of recording 500 characters per minute whereas the old equipment was limited to 150 characters per minute. The new equipment was installed by the Canadian National Telegraph ready for commencement of business on February 6.

This is not the only evidence of the demand occasioned by the heavy trading. On the floor of the Exchange traders to the number of 150 are falling over themselves in their efforts to execute orders and it became necessary to add another "square" for trading. So intense has been the activity of these traders that in order to maintain their voices many of them carry bottles of cough syrup in their pockets to effect relief of their vocal cords strained from crying out their orders.

Meridian Mining Co. Planning 300 Ton Mill

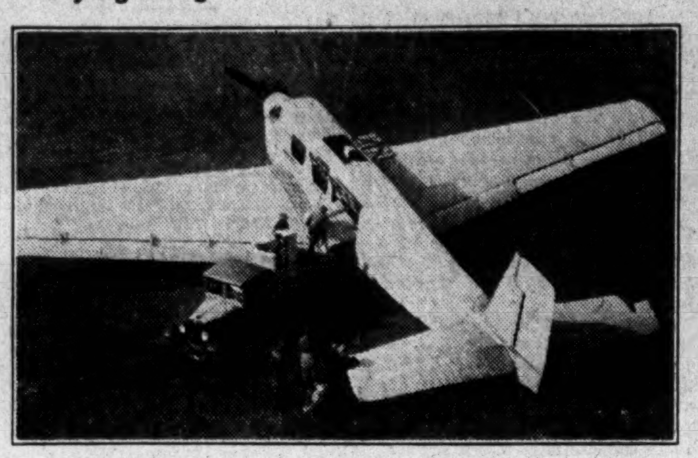
British Columbia will have another gold producer this summer if plans of the Meridian Mining Co. materialize.

At this company's property, located at Camborne in the Lardeau mining division of British Columbia, work is under way preparatory to the installation of a 300 ton mill as soon as the climatic conditions permit this spring. A new 1,000 h.p. power and mining plant was recently installed and a contract has been let for the blocking out of ore. In former years the Meridian ground produced approximately $200,000 in gold. It is expected that by spring approximately 400,000 tons of ore will be blocked out.

Siscoe Output $85,875

Siscoe Gold Mines reports gold bullion production in January of $85,875 from 5,693 tons of ore treated, or an average recovery of $15.05 per ton. This compares with an average recovery of $15.60 per ton throughout 1932. The average daily milling rate was 188 tons as compared with the average 175 tons in 1932.

Flying Freight Car to Deliver Central Pat Mill



Canadian Airways Ltd. has secured the contract from the Central Patricia Gold Mines to deliver its new 75-ton mill and affiliated camp equipment by airplane, thus inaugurating in Canada the use of airplanes for heavy duty transportation service. The Junkers type JU-52 shown above was placed into service by Canadian Airways a little over a year ago and has since been employed in general freighting service to Canada's hinterland.

Noranda Mines Position Steadily Gains in Strength With Gold Predominating

New 1,000 Ton Concentrator Permits Greater Control of Ore Used

HAS NEW PRODUCT

Selenium Gives Promise of New Source of Income—Claims Showing Importance

Noranda Mines unostentatiously continues the programme of exploration by which it is preparing for greater production and improved efficiency to synchronize with mine developments that promise to yield close to $8,500,000 in gold in 1933.

Owing to the flexibility of the Noranda ore deposits the company is able to work on a definite programme that will enable it to regulate its copper and gold production that maximum benefit will accrue from the lowest copper prices in history. In order to do this more effectively, the company has just completed an addition to its concentrator which brings the capacity up to 2,000 tons daily or about 50 per cent more than the capacity available for the greater part of 1932. With this new concentrator addition, greater facilities are provided for increasing the gold output from the property without materially increasing copper production.

Sound Policies Prevail

A careful study of the steady growth of the big producer and its contemplated plans for the future show that a sound foundation is being laid to fortify the company in the future in such a manner as to enable it to take the maximum advantage of its unique ore deposits.

The doubling up of the concentrator capacity is but one step in this programme; in addition, a 500-ton cyanide plant is under construction and is planned for early completion to recover gold that has heretofore been largely lost in tailings. The property in the past has been regarded principally as a copper producer but the collapse of the copper market made it imperative that if earnings were going to be maintained greater attention must be paid to gold extraction. How successful the company has been in this direction is evidenced by its rising total of gold output as shown by the 1931 production being approximately 100 per cent over 1930. The 1932 production was approximately 30 per cent over 1931 with corresponding increases likely for 1933.

While copper production was further curtailed in 1932, preliminary reports indicate the decline to be but around five per cent or a production of approximately 65,000,000 pounds, the largest of any copper producer in the Dominion. Even with this curtailed production of copper each one cent advance in the market price for the metal means an increase of about 29 cents per share in earnings, while if it utilized its entire concentrating, smelting and refining facilities, such a production would permit earnings to increase close to 67 cents per share for each one cent per pound advance in copper.

Selenium Recovered

A new product has been piling up at the company's refinery. The new product is selenium, a steel gray metallic element that is a by-product in the electrolytic refining of copper. The first recorded Canadian production of this element was in 1931 when the copper refining operations of the International Nickel Co. at Copper Cliff reported initial recovery. What possibilities exist for Noranda on account of this new product it is impossible to say at the present time, but the potential production is thought almost sufficient to supply present market demand. Serious study is being given to the accumulated residues containing the element and it is thought that in the near future an announcement will be made that will permit reclaiming of the metal without increasing present refining costs. As mentioned previously, it is found in the residue of the electrolytic cells in the refinery. Here it tends to contaminate the sulphuric acid or electrolite and if present plans mature the saving in electrolite will offset the cost of the finished production of the metal. At the present time a controlled market for selenium gives it a value of from $1.75 to $2 per pound with the corresponding limitations to its application. An increased production at lower prices, it is thought, would materially expand its uses.

Another probable plant operation at Noranda is the casting of the slag, at present poured on the dump, into small briquettes to be used for back filling. Noranda engineers have already worked out details of a casting machine which will utilize slag briquettes instead of gravel, to be poured back in the exhausted stopes of the mine and thereby safeguard operations underground.

What has been accomplished on the surface and what is planned in the way of plant expansion is only reflecting the development underground. The big jump in ore reserves recorded at the end of 1931 is expected to show a further increase in the forthcoming report. Already the value of the gold content of its ore is greater than the published ore reserves of any gold mine in Canada. An exploration programme that is of particular interest is the long crosscut being driven on the 1,000 ft. level into the Chadbourne claims. This crosscut is some three-quarters of a mile toward its object of exploring at depth the massive silicious gold ore found on the surface. If surface values extend to depth, Noranda has what promises to be a low grade gold deposit comparable with the Beattie with the added advantage that it has an establishment which will only require the addition of further facilities that might quite conceivably elevate it from the presently third place to first place among Canada's gold producers.

Another bet not to be overlooked when appraising Noranda's future is its exploration activities. In Rouyn township it has several claims showing real promise while claims in other sections of northwestern Quebec, are well located.

Put Unemployed at Placer Mining

"Put the thousands of unemployed to work panning gold from the placer deposits in Western United States," is the plan of Judge Ben Lindsey of Los Angeles. Judge Lindsey appealed to President-elect Roosevelt to lend his support to the proposal, saying that 1,000,000 unemployed might find profitable occupation in the new vocation.

Many of the unemployed in British Columbia have already hit upon the idea of eking out an existence by panning the streams worked years ago in British Columbia. Very little equipment is required, but by hard work a few dollars per week can be gleaned. It is reported that in 1932 approximately 15,000 free miners' certificates were issued in British Columbia.

Seven Year Price Range Dividend Paying Gold Stock

	1933* High	1933* Low	1932 High	1932 Low	1931 High	1931 Low	1930 High	1930 Low	1929 High	1929 Low	1928 High	1928 Low	1927 High	1927 Low	1926 High	1926 Low
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Coniaurum ...	.40	.25	.50	.23	.62	.25	.60	.15	2.50	.25	5.50	1.00	5.78	2.80	4.45	3.00
Dome Mines ..	18.50	13.60	14.50	9.00	13.40	8.00	10.20	7.00	11.25	4.40	13.75	7.65	14.60	6.85	20.00	8.00
Hollinger	8.75	6.00	6.25	4.25	8.70	4.60	6.65	4.90	10.00	4.00	18.10	7.00	22.65	16.40	19.95	16.65
Lake Shore ...	40.00	32.50	35.10	24.90	29.95	20.00	24.75	19.00	27.60	13.00	27.70	14.75	28.50	15.40	16.60	9.60
McIntyre	27.60	21.20	25.00	14.70	26.50	13.95	19.80	15.05	24.00	11.50	29.00	18.80	29.00	24.50	29.75	22.30
Noranda	25.50	19.75	23.25	12.50	29.65	11.75	44.25	11.70	70.00	25.00	76.50	17.00	28.50	19.96	24.75	12.00
Premier Gold.	.82	.60	.75	.32	.99	.40	1.60	.60	2.35	1.50	3.50	2.14	2.50	1.86	2.79	1.87
Siscoe	1.77	1.25	1.63	.50	.71	.36	.75	.24	1.65	.39	.90½	.15	...	...	...	...
Sylvanite	1.21	.72	.87	.39	1.14	.48	1.02	.39	2.55	.40	3.90	1.95	4.85	2.60	3.02	1.50
Teck-Hughes .	5.10	4.03	5.25	3.05	8.65	4.51	7.30	4.70	10.25	4.50	11.60	7.50	12.00	5.37	5.50	2.64
Wright-Hargreaves .	5.05	3.73	3.85	2.09	3.25	1.85	2.30	1.35	2.95	1.15	6.80	1.40	8.49	5.50†	10.00	7.75

* To Feb. 6. † Old shares.

Metalliferous Mines Disburse $507,726,892

Dividends Paid By Gold Mining Enterprises to the End of 1932 Total $172,002,527—Ontario Leads List

A survey of the dividend-paying metalliferous mines of Canada discloses some 93 properties disbursing a grand total of $507,726,892 in dividends to the end of 1932. Of this huge total $172,002,527 can be credited to the gold mines, of which $19,851,692 was disbursed in 1932.

Fifty-eight metal mines in British Columbia have paid a total of $116,620,686 in dividends since 1897. Included in the list are seventeen exclusive gold producers which have paid $27,388,563. It is hardly necessary to mention that the figures presented do not cover all the profit that have accrued to the owners of mining since the inception of the placer operations in 1858. Many companies declined to reveal their earnings, while many other operations were conducted by individuals who received their profits other than through dividends.

Ontario in the same time disbursed dividends totalling $381,352,713 to its shareholders of which $99,515,243 came from the silver producers of the Cobalt camp.

Quebec gold mines, including Noranda, in the same period, have disbursed $9,705,565.

The following tabulation by The Financial Post shows the mines contributing.

Mine	Main Product	Divids. Started	Last Paid	Divids. to end 1932	Paid in 1932
Antoine	Silver-lead	....	....	10,000	......
Apex	Silver-lead	1924	1924	1,884	......
Bell	Silver-lead	1924	1932	313,992	......
Belmont-Surf Inlet	Gold-copper	1919	1926	1,500,000	......
Canada Copper Corp.	Copper	....	....	615,399	......
Canada Goldfields Syn.	Silver-lead	....	....	291,000	......
Can. Pac. Explor.	Gold	....	....	37,500	......
Cariboo Gold	Gold	....	....	500,000	......
Cariboo McK. M. & M.	Gold	1900	1900	509,337	......
Centre Star	Gold	1900	1900	210,000	......
Cons. M. & Smelting	Lead-zinc	1906	1931	45,760,403	704,850
Daly Red. Co.	Gold	....	....	881,570	......
Duthie	Lead-zinc	1928	1928	50,000	......
Fern Gold M. & M.	Gold	1897	....	15,000	......
Florence Silver Mng.	Silver-lead	1918	....	34,746	......
Goodenough	Silver-lead	1897	....	45,188	......
Granby	Copper	1903	1932	18,358,339	56,250
Hall Mng. & S.	Copper	1897	....	175,000	......
Hedley Gold Mng.	Gold	1909	1919	2,640,000	......
Highland Lass	Silver-lead	1931	1932	3,081	......
Howe Sound	Copper	1918	1932	13,475,316	409,012
Idaho Mine (various)	Silver-lead	....	....	400,000	......
I. X. L. (various)	Gold	1923	1925	100,558	......
Jackson Mines	Silver-lead	....	....	20,000	......
Last Chance	Silver-lead	....	....	213,109	......
Le Roi No. 2	Gold	....	....	1,620,000	......
LeRoi Mining Co.	Gold	....	....	1,475,000	......
London & B. C.	Gold	....	....	350,000	......
Lucky Jim	Silver-lead	....	....	100,000	......
Monitor	Silver-lead	....	....	27,500	......
Mother Lode	Gold	....	....	181,300	......
Mountain Chief	Silver-lead	1924	1924	1,482	......
Noble Five (various)	Silver-lead	1896	1930	62,859	......
Payne	Silver-lead	....	1900	1,438,000	......
Pioneer	Gold	1931	1932	365,468	210,210
Poorman (various)	Gold	....	....	25,000	......
Premier	Gold	1921	1932	16,585,317	635,713
Providence	Silver-lead	....	....	20,000	......
Queen Bess Con.	Silver-lead	....	....	25,000	......
Reco M. & M.	Silver-lead	....	....	287,000	......
Rambler Cariboo (various)	Silver-lead	1897	....	560,000	......
Retallack & Co.	Silver-lead	....	....	230,000	......
Rosebery-Surprise	Silver-lead	1926	1926	25,000	......
Ruth (various)	Silver-lead	....	....	165,000	......
Silversmith	Silver-lead	1923	1926	725,000	......
Slocan Star	Silver-lead	1897	....	575,000	......
Standard S. L. Mng.	Silver-lead	1912	....	2,700,000	......
St. Eugene	Silver-lead	....	....	210,000	......
Sunset	Silver-lead	....	....	66,000	......
Surf Inlet Gold M.	Gold	1919	....	447,263	......
Surprise	Silver-lead	....	....	20,000	......
Tyee Copper	Copper	1903	1904	291,825	......
Utica	Silver-lead	....	....	64,000	......
Wallace Mountain	Silver-lead	1923	1925	124,000	......
War Eagle C. M. & D.	Gold	1898	1900	1,245,250	......
Washington	Silver-lead	....	....	38,000	......
Whitewater	Silver-lead	....	1927	209,000	......
Ymir Gold	Gold	1902	....	200,000	......
				$116,620,686	
Nova Scotia					
Montreal-London	Gold-silver	1900	1900	47,928	......
Ontario					
Cobalt Area:					
Aladdin Cobalt	Silver	....	1917	75,000	......
Beaver	Silver	1911	1920	2,787,000	......
Buffalo	Silver	1906	1924	710,000	......
Casey Cobalt	Silver	....	1914	203,249	......
Castle Trethewey	Silver	1924	1925	18,027	......
City of Cobalt	Silver	1908	1920	145,000	......
Cobalt Central	Silver	1909	1909	192,845	......
Cobalt Comet	Silver	....	1915	230,000	......
Cobalt Lake	Silver	1913	1914	465,000	......
Cobalt Silver Queen	Silver	1907	1908	315,000	......
Cobalt Townsite	Silver	....	1914	1,042,260	......
Coniagas	Silver	1907	1924	11,440,000	......
Crown Reserve	Silver	1908	1916	6,190,849	......
Foster Cobalt	Silver	1907	1907	45,000	......
Hudson Bay	Silver	1910	1913	778,909	......
Keeley	Silver	1928	1928	2,240,000	......
Kerr Lake	Silver	1907	1927	11,121,000	......
La Rose	Silver	1908	1923	6,600,547	......
Lorrain Trout Lake	Silver	1925	1925	150,000	......
McKinley-Darragh	Silver	1907	1920	5,955,392	......
Mining Corp.	Silver	1914	1929	7,573,937	......
Nipissing	Silver	1905	1931	31,153,297	......
Penn. Can.	Silver	....	1917	175,462	......
Peterson Lake	Silver	....	1917	462,350	......
Right of Way Mines	Silver	1909	1917	252,825	......
Right of Way Mining	Silver	1907	1909	324,644	......
Seneca Superior	Silver	....	1916	1,579,817	......
Temiskaming	Silver	1912	1920	2,159,156	......
Temiskaming & H. B.	Silver	1905	1914	1,940,250	......
Trethewey	Silver	1906	1919	1,211,999	......
Wettlaufer Lorrain	Silver	....	1913	637,465	......
				94,576,281	
Porcupine Area:					
Coniaurum	Gold	1932	1932	80,923	80,923
Dome **	Gold	1915	1932	16,981,846	1,239,336
Hollinger	Gold	1910	1932	61,920,400	3,690,000
McIntyre Porcupine **	Gold	1917	1932	10,992,908	997,500
Porcupine Crown	Gold	1914	1917	840,000	......
Rea Consolidated	Gold	1915	1915	12,000	......
Vipond	Gold	1927	1927	67,500	......
				90,895,577	
Kirkland Lake Area:					
Lake Shore	Gold	1918	1932	21,020,000	6,000,000
Sylvanite **	Gold	1930	1932	362,945	164,975
Teck-Hughes	Gold	1926	1932	15,789,574	2,884,286
Tough-Oakes	Gold	1915	1916	398,625	......
Wright-Hargreaves **	Gold	1921	1932	6,393,750	962,500
				43,964,894	
Sudbury Area:					
International Nickel *	Nickel	1894	1932	146,976,999	1,938,938
Total Ontario				376,413,751	
Quebec					
Noranda	Gold-copper	1930	1932	9,183,065	2,463,749
Siscoe	Gold	1932	1932	522,500	522,500
Total Quebec				9,705,565	
Grand Total Canada				502,787,930	

*Including predecessor companies. †Includes profit from Britannia as well as properties outside Canada. **U.S. funds.

Tashota Gold Changes to Kowkash Holdings Ltd

Tashota Gold Mines has issued a notice to its shareholders for a special general meeting to be held on February 16, 1933, in Montreal, for the purpose of ratifying a bylaw changing the name of the company to Kowkash Holdings, Ltd.

The change in name has been made necessary owing to the company's property consisting of 240 acres in the Kowkash mining area, 14 miles south of Tashota on the Canadian National Railway, being sold to the recently incorporated Tashota Goldfields, Ltd., in consideration of 900,000 shares in that company.

Tashota Goldfields has an authorized capitalization of $3,000,000 in $1 par value shares and the financing has been undertaken by New York interests that will permit further exploration of the property, which suspended operations early in 1933 owing to the failure of Stobie-Forlong & Co., its financial sponsors.

Quebec 1932 Gold Output Gains 34 p.c. Over 1931

The mineral production figures just made available by the Quebec Bureau of Mines indicate that the copper production by the province in 1932 was down only about five per cent below the 1931 figure with an output of 68,376,985 pounds. Gold production showed approximately 34 per cent increase with an output of 401,478 oz. valued at approximately $8,300,000. Of this amount approximately $6,800,000 can be accredited to the Noranda Mines.

The following tabulation gives statistics on asbestos, gold and silver for December, 1932, with the total for the year compared with 1931:

Quebec Mineral Production

	Dec. 1932	Total 1932	Total 1931
Asbestos, tons ..	14,478	120,441	164,296
Gold, oz.	30,495	401,478	300,075
Silver, oz.	46,257	632,603	530,345

Ore Shoot 160 Feet Long On 4,900-ft. Level at K.L.G.

Drifting on the 4,900 ft. level of Kirkland Lake Gold Mining Co., westward toward the Grozelle claims, has encountered an ore shoot some 160 ft. long showing better than the mine average in values over a width of five feet. The showing lengthened out to a much greater length but narrowed in. This is one of the longest ore shoots encountered in the deep development programme and is particularly encouraging because of being on the lowest level to be explored.

Executive Move to Toronto

Canadian Ingersoll-Rand Co. announced that G. R. Southee, assistant to the vice-president, is transferring his headquarters from Montreal to Toronto on March 1, 1933.

Kenty Shares Being Offered To The Public

Owing to the public demand for direct participation in the Kenty Gold Mines, an offering has been made of 100,000 treasury shares at $1 each.

The shares being offered are part of the 1,100,000 under option to the Kirkland Lake Gold Mining Co. at an average price of 86 cents per share, which is giving the public an opportunity to purchase a small block at little over the cost price.

Aside from the public offering being made, the Kenty is a closed corporation, with Brett Trethewey Mines owning 450,000 shares, with Northern Canada Mining Corp. owning 562,500 shares, with Kenty Brothers, the stakers owning 120,000 shares and with the balance under option to Kirkland Lake Gold Mining Co.

FOREIGN MINING CO. IS INCORPORATED

Listed on Standard Exchange—Recognized as Leading Mining Mart

The broadening scope of the Standard Stock and Mining Exchange is exemplified by the proposed listing of the Venezuela Canadian Gold Fields, Ltd., owning extensive gold leases in Venezuela and financially sponsored by prominent New York interests.

The new company has a Dominion charter with an authorized capitalization of 10,000,000 shares of no par value. Munds Winslow and Potter, as well as Clark, Childs and Keeth & Co., both members of the New York Stock Exchange, are giving financial sponsorship to the company.

Unusual interest is lent to the undertaking, not only because of the recognition of the Standard Stock & Mining Exchange as a leading mart but also its incorporation under a Dominion charter to get recognition and protection as a British company wherever unsettled political situations may prevail.

The large concessions that have been granted to the new company are said to cover important gold mining areas, some of which have been developed and worked at a profit for years. Part of the holdings are immediately north of the Incredible mine which has been a noteworthy producer.

GOLD PRODUCTION FOR ENTIRE WORLD GAINS 7.8% IN 1932

Value of 1932 Output $494,240,370—Canada Leads United States

Production of new gold from mines throughout the world reached a new high record during 1932 of 23,911,000 fine ounces, valued at $494,240,370, according to the American Bureau of Metal Statistics. This exceeds the estimates made late in the year of 23,500,000 ounces and compares with the production in 1931 of 22,168,000 fine ounces, worth $458,212,560. The percentage increase is 7.8 per cent.

Production of the South African gold fields, the major gold producing area, made a series of new high records during 1932. Total output for the year is placed at 11,566,000 fine ounces, valued at $239,069,220, compared with 10,878,000 fine ounces in 1931, valued at $224,848,260.

Russian Output Gains

Output from mines in the United States increased during 1932 to 2,513,000 fine ounces valued at $51,943,710, compared with 2,396,000 ounces valued at $49,525,320 in 1931. Canadian production, too, advanced to 3,055,000 fine ounces in 1932, from 2,694,000 fine ounces in 1931.

Production in Russia increased during the year to 1,900,000 ounces from 1,600,000 in 1931. The estimate here given has been verified officially in Russia.

Regarding the Russian production, the bureau states: "About 60 per cent of the Russian gold production is reported as being derived from the Lena (East Siberia) and Aldan (Yakutia) fields, where the operations are principally alluvial. About 30 per cent of the total production is derived from lode mines. Upward of 20 dredges are reported as having been installed during the last five years. It is expected that there will be a further increase in Russian production in 1933."

The 1932 output of the principal producing countries compares with 1931 as follows:

World Gold Production
(Thousands of fine ounces)

	1932	1931
South Africa	11,566	10,878
Canada	3,055	2,694
United States	2,513	2,396
Russia	1,900	1,600
Australia and New Zealand	938	784
South America	654	587
Mexico	607	628
Rhodesia	577	541
Japan	394	430
British India	322	330
British West Africa	291	268
Belgian Congo	244	212
Elsewhere	850	820
Totals	23,911	22,168

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Property No. 2—400 acres in Bousquet Township, adjoining on the South the Clement property, under option to the Noranda Mines Company.
Property No. 3—400 acres in Vauquelin Township, Pascalis Gold area, lies East of the Treadwell Yukon and Hollinger properties, with reports of high grade discoveries made on properties to the East and West of the Syndicate's holdings.
Property No. 4—600 acres in Pershing Township, adjoining, on the East, the Homestake Mines property, with the McIntyre Mines Company's property adjoining the Homestake on the West.
Present activities of the Syndicate are centered on its Rouyn property of 1,200 acres, proving up the high grade gold discoveries that have been made. Mining men consider this property one of importance.
Circular of information regarding the Syndicate's properties, and a map showing the location of same, sent on request to anyone interested.
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